

The NATIONAL UNDERWRITER

30¢ a copy
\$7.50 a year

—The National Weekly Newspaper of Life and A&S Insurance—

Second class postage paid at Chicago.
Published weekly (with two extra issues in September) at 175 W. Jackson Blvd., Chicago 4, Illinois.

March 25, 1961
65th Year, No. 12

Damage-Suit Fear Looms In Fight On Replacers

By ROBERT B. MITCHELL

NEW YORK—The \$150,000 defamation of character suit brought by a New York City agent against one of his policyholders who wrote a letter to the New York department alleging misrepresentation can only be viewed as a discouraging omen in the battle against the rising tide of policy replacements.

It should be clearly understood that this letter of complaint made no reference to replacement. It alleged only misrepresentation in the sale of insurance some six months before the policyholder asked for the cancellation of his old insurance. Nevertheless, the awareness of this suit and others that have been brought can be expected to have a chilling effect on any policyholder who feels he has a case against an agent, for whatever cause, including violation of the anti-twisting statute.

Would Have To Tell

It's small comfort to the replacement fighters that would-be complainants might not have heard of any of these damage suits. Few complaints of this sort are likely to be made in replacement cases without an agent of the "losing" company consulting with the policyholder, and certainly professional duty requires that the agent call the policyholder's attention to the danger that the replacing agent may sue for defamation of character.

The replacing agent may have been viciously maligned by the complaining policyholder or he may be a crook who deserves the worst that could be said about him or he may merely have failed to take adequate account of his policyholder's lack of insurance so-

phistication. Groundless or fully justified, a defamation suit can be brought, and the hapless policyholder is faced with at least the expense of defending it, even though he's confident he's right and the agent is wrong.

At best, what the prospect faces is disturbing and expensive; at worst it could be financially ruinous.

Unfortunately, the New York insurance law gives a complainant no protection whatever from suits based on

(CONTINUED ON PAGE 26)

North Central Rally Of LAA To Be At Kansas City April 6-7

"Prescription For Progress" is the theme of the North Central Round Table meeting of Life Advertisers Assn. to be held April 6-7 at Kansas City. Ronald Jones, Kansas City Life, chairman of this year's round table session, announces that arrangements for the program have now been completed by Tom Brown, Iowa Farm Bureau, vice-chairman and program chairman for the meeting.

An innovation will be the presentation of a 15 minute skit, "Sizzle Or Fizzle," to set the stage for the ideas to be discussed through the meeting.

Briggs Will Report

LAA President John Briggs of Southland Life will report to members on happenings in association affairs. Speaker at the first session will be William Conboy, professor of speech at the University of Kansas.

The afternoon session will be devoted to a panel discussion. Rather than following the usual pattern of discussing successful ideas, four round table members will review promotion and campaigns which did not bring expected results. Concluding the first day's activities will be an "Ask and Learn" workshop covering all phases of advertising, promotion, and public relations.

"Town Hall This Morning" on Friday will conclude activities. Panel members will distribute material used in successful promotions, explain their use, and answer questions from the floor.

Alaska's Ordinary Sales Gain In Jan. Leads Other States

Alaska showed the greatest percentage increase in January ordinary life sales of all the states, according to LIAMA. Montana captured second place and Utah took over third position. The percentage increases for the three states, in order of their rankings, was 36%, 25%, and 19%.

On a nationwide basis, ordinary sales declined 1% in January.

List 2 Speakers For

N.Y. State Congress

ALBANY—The "Appleknockers" all-day caravan sales congress sponsored by New York State Assn. of Life Underwriters at Rochester April 12 and Albany April 13 will have as two of its speakers Bernard H. Zais, Connecticut Mutual Life, Burlington, Vt., and Frank B. Maher, vice-president of John Hancock.

Mr. Zais, a CLU and a life member of the Million Dollar Round Table, will speak on "Confusion, Confession and Conviction." He has addressed many association groups and sales meetings and was a speaker at the 1958 meeting of the MDRT.

Mr. Maher will speak on "Attitude—The Indispensable Ingredient of Growth." He is a past president of LUTC and of LIAMA.

The program will open at 9:30 a.m. and conclude at 4 p.m. The Rochester meeting will be at Chamber of Commerce Building, and in Albany it will be at the Hotel Ten Eyck.

Peter J. Keenan, Penn Mutual, Buffalo, is chairman of the program committee and will act as moderator.

Diemand Chairman; Smith Is President Of North America

North America has advanced John A. Diemand from president to chairman and chief executive officer, and Bradford Smith Jr. from executive vice-president to president and chief administrative officer. Mr. Diemand was also elected chairman and Mr. Smith president of Life of North America.

Mr. Diemand began his career in 1903 in the claims department of Philadelphia Casualty where he became superintendent of claims. He continued in that position when the company was absorbed by Fidelity & Deposit. He resigned in 1913 to become superintendent of the claims department of Zurich. He was made superintendent of agents in 1914 and was transferred in 1916 to New York as general superintendent of the eastern department. In 1921 he became assistant U. S. manager. In 1930 he became executive vice-president and general manager of Home Indemnity, resigning in 1933 to become executive vice-president of Indemnity of North America. He was named vice-president of North America in 1938, a director in 1940 and president in 1941. Mr. Diemand became president of Life of North America on its formation in 1956.

Positions Listed

He is a director of Philadelphia Electric Co., Central Penn National Bank, and Philadelphia Savings Fund Society, and is a trustee of Temple University and of Abington Memorial Hospital. He is a member of Insurance Hall of Fame.

Mr. Smith had experience in the agency business in Philadelphia and in

(CONTINUED ON PAGE 29)

Agent Panelists Named For Forum At NALU Midyear

Roy D. Simon, Chicago, And Sylvester Starling, Orlando, Are Scheduled

WASHINGTON—Roy D. Simon, Penn Mutual Life, Chicago, and Sylvester Starling, Gulf Life, Orlando, Fla., have been chosen as the agent members of the four-man panel at the agents forum during the NALU midyear meeting at Ft. Lauderdale, Fla., April 16-20.

Theme of the forum, which is under the sponsorship of the NALU committee on agents' activities, is "The Agency Team—Ideally What Are the Roles of Its Members?" Joseph B. Davis, Home Life of New York, Detroit, committee chairman, will moderate the discussion.

Made MDRT 11 Times

Mr. Simon, a CLU, has qualified for the National Quality Award every year since 1946 and has made the Million Dollar Round Table 11 times. He is chairman of the NALU committee on constitution and resolutions and the MDRT insignia committee. He is also national committee of the Illinois association. He has served on many NALU committees and held all elective offices in the Chicago association.

Mr. Starling joined Gulf Life as a debit agent in 1936 and has been with the company ever since, in Orlando and at Savannah, except for World War

(CONTINUED ON PAGE 29)

Japanese Life Insurance Men Visit U.S.



Japanese life insurance executives heading the study team now visiting the United States were welcomed at the Institute of Life Insurance-LIA board room in New York by Holgar J. Johnson, institute president, and Bruce E. Shepherd, executive vice-president Life Insurance Assn. of America. From left are Mr. Shepherd; Daijiro Kawasaki, managing director Daihyaku Mutual Life; Masso Fujimoto, executive director Nissan Mutual Life; Kiyoshi Matsuki, managing director Yasuda Mutual Life; Mr. Johnson, and Tomotaro Kaneko, assistant chief of the life insurance section of the Japanese ministry of finance.

A delegation of high-ranking Japanese life insurance men, led by Kiyoshi Matsuki, managing director of Yasuda Mutual Life of Tokyo, is on a five-week intensive study of the life insurance business in the United States. Included in the group are the

(CONTINUED ON PAGE 29)

Conscience Ranks With Competence In A Sales Force, Says Zimmerman

The kind of man an agent is matters just as much as how skilled he is, President Charles J. Zimmerman of Connecticut Mutual Life told the company's general agents at their annual conference, at Hollywood, Fla.

"We must train men who understand the things that life insurance promotes," he said. "Men who understand life, freedom, love, responsibility; men who are whole not only in competence but in conscience. To develop such men, to help other people to be a little better, is your responsibility as general agents."

"We must realize that turnover is always going to be with us, but it should be deeply disturbing only when it is because you as a general agent have failed, or if men fail because they have failed themselves."

GA Has Opportunity

"You have the opportunity as general agents to help each of your associates to be just a little bit better, to approach just a little bit nearer his potential. As you do this, you will be helping yourselves to be a lot better. Out of this personal growth—growth in responsibility, growth toward potential—must inevitably come the growth of your agencies and of our company."

Raymond W. Simpkin, vice-president in charge of agencies, opened the conference with a review of improvements in the agents' and general agents' contracts in the last decade. The average commission income for all full-time agents, he said, has increased 57%, the commission income of the top 100 agents has increased 75% and, including renewals, 86%.

Stresses Sales Leadership

Vice-president Edward B. Bates said the general agent must be constantly aware that sales leadership is one of his prime responsibilities, organize his time so it has priority, and then see that his sales leadership extends all the way to the top producer. Agency building—not agency administration—is his main job. The general agent must see that time-consuming detail doesn't crowd out the more creative challenge of sales management.

A real opportunity in sales leadership is the increasingly important function of market direction, said Mr. Bates. With the growing competitive pressure for the public's dollar, there will be a real premium on the general agent who can provide imagination and resourcefulness in market direction.

Basic to market direction is market



C. J. Zimmerman

research. For example, the total insurability guaranteed for the future from last year's Connecticut Mutual business amounts to just under 40% of the 1960 paid business, meaning the company has a foot in the door for the future for more than \$220 million of business.

Education enables the agent, manager and home office official to see beyond the "how" of his business and see the "why" of life insurance, said President Davis W. Gregg of American College. As to whether education helps agents do a better job for their agencies and companies, Mr. Gregg said the definitive answers are not in yet, but there is mounting evidence that CLU agents sell about 50% more business than comparable non-CLUs,

(CONTINUED ON PAGE 24)

ALC, LIA Oppose VA's Request For Direct Mortgages

WASHINGTON—Legislation to permit the Veterans Administration to make direct mortgage loans to World War II and Korean War Veterans was characterized as unnecessary in a statement submitted to the House committee on veterans affairs by American Life Convention and Life Insurance Assn. of America.

The ALC-LIA statement pointed out that, contrary to the argument of supporters of the bill, residential mortgage financing is and has been readily available to veterans on reasonable terms. Therefore, they said, there is no necessity for enactment of the bill, which would permit the issuance of \$1 billion of Treasury obligations to finance such a lending program during the next fiscal year, and \$500 million

(CONTINUED ON PAGE 22)



W. L. Vogler

W. L. Vogler Elected President Of American National

Directors of American National have elected W. L. Vogler president to succeed Mrs. Mary Moody Northen, who continues as a director. Formerly executive vice-president, he was brought into the home office in 1945 by the company's founder, the late W. L. Moody Jr., to run the insurance portion of the financier's extensive interests after a number of successful years in field sales development for American National and other companies. Under Mr. Vogler's general management the company has enjoyed dramatic growth and expansion; its insurance in force rising from \$1,356,976,729 in 1945 to \$5,591,603,857 at the end of 1960.

Six new directors were added by action of stockholders increasing the board membership to 18. The new directors are George S. Eccles, president First Security Bank of Utah; Lee N. Parker, president American Service Bureau; S. Marcus Greer, vice-chairman First City National Bank of Houston; J. Sayles Leach, chairman Texas Co.; J. M. Lykes Jr., senior vice-president and director Lykes Brothers Steamship Co., and Leonard Moseley vice-president and secretary American National.

Cash dividend payments totalling \$6,600,000 were authorized by the directors for payment on a quarterly basis in 1961. The regular rate was increased 12% to 18 cents per share with a special 2 cents per share payable with the regular payment scheduled for December 1961. This 20 cents will be paid to stockholders March 31 (\$1,485,000), June 30 (\$1,485,000), Sept. 29 (\$1,485,000) and (\$2,145,000) Dec. 15. Total payments authorized are 25% greater than those for 1960.

Seven officers have been reelected with change in status. These are R. A. Furbush, executive vice-president; C. E. Brown, vice-president and assistant treasurer; Bailey Clark, vice-president and underwriting manager; H. W. Gray, vice-president and claims manager; J. O. Hood, vice-president and manager real estate division; L. L. Tavener, assistant vice-president and assistant actuary, and W. W. Cherry, vice-president and superintendent industrial agencies.

Deitsch In PR Post With Doremus & Co.

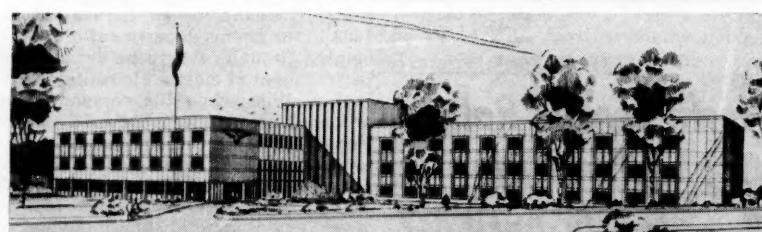
Thomas A. Deitsch has joined the public relations department of Doremus & Company, New York advertising and public relations agency. Mr. Deitsch was previously associate editor of the *Weekly Underwriter*. He has also been public relations advisor to the New York State Life Underwriters Assn.

Before joining the *Weekly Underwriter* in 1956 as editor of its life health and marine departments, Mr. Deitsch was with Prentice-Hall as editor in the taxation and pension planning advisory department. Mr. Deitsch was appointed in 1958 to create a news division for the New York State Life Underwriters Assn.

Figures From Companies' 1960 Year-End Statements

	Total Assets	Increase in Assets	Surplus to Policy-holders	New Bus. 1960	Ins. in Force Dec. 31, 1960	Increase in Ins. in Force	Prem. Income 1960	Benefits Paid 1960
Guardian Life	517,051,498	25,116,019	38,421,680	310,301,729 ¹	1,952,309,624	174,012,681	59,700,448	28,789,319
Imperial Life, Canada	290,804,664	17,849,580	13,481,627	159,926,756	1,249,569,540	92,864,970	32,121,069	20,995,300
Independent Life & Accident	84,541,610	12,060,314	8,085,240	895,389,061 ²	955,861,205	58,419,859	66,567,868	22,720,935
Industrial Life, Canada	84,002,510	9,972,641	6,086,020	144,744,759	766,394,966	80,111,537	21,963,120	9,293,443
John Hancock	6,127,322,504	285,426,065	535,610,543	3,283,807,875	26,184,481,342	1,958,205,821	712,641,722	471,076,049
Liberty National Life	319,956,107	30,707,263	33,181,333	608,660,315	2,002,047,182	325,937,471	62,392,323	12,655,435
Metropolitan Life	17,941,244,000	800,729,079	903,564,691	6,965,197,030	94,245,883,078	4,243,019,741	2,416,889,646	1,754,860,200
National Life, Canada	68,678,551	9,157,493	3,719,432	98,115,976	457,526,212	84,471,512	12,951,836	4,036,582
North American Re	60,701,753	3,382,158	12,241,863	524,955,323 ²	1,437,870,248	159,044,233	15,198,175	7,770,027
Pacific National Life	40,115,938	2,763,515	3,488,800	163,855,906 ¹	607,483,063	84,419,282	15,408,284	10,552,885
Prudential	16,551,296,122	882,333,346	1,011,614,667	9,986,695,927	82,182,997,497	5,451,872,386	2,237,253,206	1,490,888,301

New business figure excludes revivals and increases except as follows: ¹\$29,245,185; ²\$12,882,172; ³\$73,792,494; ⁴\$37,283,351.

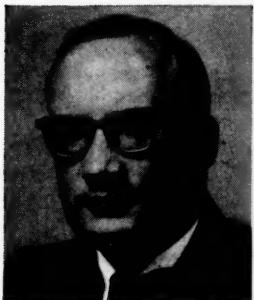


Design of Ohio National Life's new home office by the Cincinnati architectural firm of Potter, Tyler, Martin & Roth conveys some idea of the beauty of the building the company moved into recently. Due to the change in elevation of the grounds, the front of the building does not indicate its true size of five floors, a total working area of 150,000 square feet.



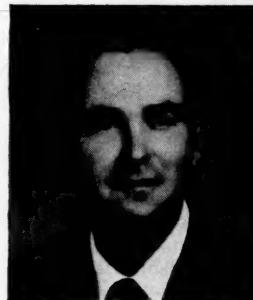
Aerial view of the move of Ohio National Life from its former site to new headquarters—in city blocks not a great move, but in amounts of equipment and personnel a tremendous one.

CONGRATULATIONS to the FRESHMAN 5 who led all Massachusetts Mutual first year men in 1960 in combined sales, commissions and lives.

GEORGE F. JOCHEN

**1960 ordinary sales
\$1,050,061**

..... joined our Miami-Pierce Agency after working as a manager trainee with a truck rental firm following two years as a Paratroop Officer in the U. S. Army. A graduate of Stetson University, he received the Company's First Year Man of the Month Award last May.

WILLIAM M. OSBORNE

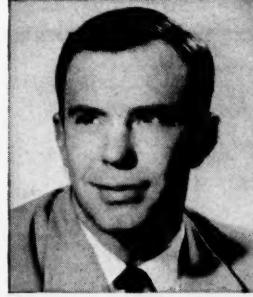
**1960 ordinary sales
\$794,500**

coached athletics for 11 years at both high school and university level before he became a member of our Billings Agency. In March he received the Company's First Year Man of the Month Award.

CHARLES R. DURKIN

**1960 ordinary sales
\$948,920**

a native of New York State, he attended Canisius College and entered our Columbus Agency following 8 years in the U. S. Air Force. He sold \$50,000 or more in every month of 1960.

STANLEY W. GERLACH

**1960 ordinary sales
\$1,780,000**

immediately started consecutive monthly sales records and at the end of 1960 he was 24th in volume and 70th in commission in our entire field force. His experience — two years in the Army, four years directing high school athletics before joining our Panorama City Agency.

THOMAS L. THORKELSON

**1960 ordinary sales
\$1,026,100**

youngest of the Freshman Five, he was just 27 when, after five years in the U. S. Marine Corps, he joined our Santa Ana Agency. At the end of 1960 he had 38 consecutive weeks of production and had averaged over two sales per week for the year.

Sales by first and second-year men totaled \$258,913,434 or 25.9% of the Massachusetts Mutual ordinary production for the year 1960.

5

MASSACHUSETTS MUTUAL Life Insurance Company

SPRINGFIELD, MASSACHUSETTS • ORGANIZED 1851

Beasley Chairman, Oakes President Of Republic National

Theo. P. Beasley, who organized Republic National Life in 1928 and who



Theo. P. Beasley



Barry L. Oakes

has served as president since then, has been elected chairman and chief executive officer. Barry Oakes, executive vice-president, becomes president of the company; Clarence J. Skelton, senior vice-president and coordinator of the production divisions, is now executive vice-president; and Rex Beasley, vice-president and coordinator of home office operations, becomes senior vice-president and vice-chairman.

Mr. Beasley was 28 years old with seven years of successful insurance sales experience when he organized a life company in Joplin, Mo., in 1928, that is the present Republic National of Dallas. The company reached its first billion in force in 1956; its second billion in 1959, and the third billion on Feb. 1 of this year.

Mr. Beasley has also achieved international prominence in church, educational and YMCA activities. He is

a member of the national board of YMCA; a member of the National Council of YMCAs and a member of the World Council of YMCAs and one of the three U. S. members of the council's executive committee. He was named "Lay Churchman of the Year" in 1952 on the occasion of the annual Washington Pilgrimage sponsored by the Religious Heritage of America. He is a member of the board of trustees of Texas Christian University and a member of the board of George Williams College in Chicago.

Barry Oakes joined Republic National Life in 1958. He practiced law from 1938 to 1942 in Des Moines and from 1942 until 1946 he served with the Federal Bureau of Investigation and in the navy. In 1946 he joined the Bankers Life of Des Moines as associate counsel until joining Republic National Life as vice-president and general counsel. He was advanced to senior vice-president in 1959, later that year becoming administrative vice-

ant secretary, assistant director of agencies, secretary and office manager, vice-president and director of agencies, senior vice-president reinsurance division, and he is competing his tour of duty as senior vice-president and coordinator of production planning.

Rex Beasley is the son of Theo. P. Beasley. He has had experience in almost every department of the company, following training at Texas Christian University and Southern Methodist University. In addition to his general executive duties, he serves as a member of all the departmental committees as well as the executive committee and investment committee.

Recently the Dallas Times Herald honored Mr. Beasley by featuring him as one of the "Tomorrow's Leaders."

Mutual Benefit Has \$5 Billion Ordinary Insurance In Force

NEWARK—Mutual Benefit Life has passed the \$5 billion mark in ordinary in force.

It took the company 74 years to reach its first billion in force, in 1919. The next billion was achieved in 1926, the third in 1951, the fourth in 1957.

In addition to the \$5 billion ordinary, Mutual Benefit has group insurance amounting to more than \$640 million. The company entered the group business in 1957.



Rex Beasley



C. J. Skelton

president. In 1960 he moved up to executive vice-president. He is vice-chairman of the legislative committee of Health Insurance Assn.

Clarence J. Skelton joined the company in 1934 as a mail clerk. This was followed by experience in accounting, home office underwriting, assist-

1960 Interest Rate On Life Assets At Highest Since 1933

The net rate of interest earned on invested life insurance assets, before federal income taxes, rose to 4.11% in 1960, the highest rate earned since 1933, according to Institute of Life Insurance. The 1959 rate was 3.96%.

The before-tax earning rate is not comparable with the rates of the 1920s and 1930s as a measure of usable funds, because of the recent huge rise in taxes, the institute said. In 1933, for instance, federal income tax payments were negligible, but by 1960 they had risen to well over \$500 million.

Net investment earnings of all U.S. life companies in 1960, before taxes, totaled \$4.6 billion, an increase of \$400 million over 1959.

The earning rate on life funds has been improving steadily since 1947, at which time the all-time low point in earning rate was reached, the institute noted. The 1947 rate was 2.88% and last year's rate was nearly half again as large, but the increased aggregate of taxes would sharply reduce the effective gain.

Reduction Not Measurable

"This reduction cannot be measured, as it is not possible to compute an industry-wide after-tax rate under the new federal income tax formula applying to life insurance," the institute said.

As good as recent gains in earning rate have been, the current rate is still about one-fifth smaller than the average rate of the 1920s, when, for example, the earnings rate ran as high as 5.18% in 1923.

"Gains in investment earnings and improvements in mortality are two of the chief factors in holding down or reducing life insurance costs. Because of the sharp decline in earning rate during the 1930s and 1940s, most of the contribution to holding down life insurance costs in those years came from the improved mortality. However, this decline in death rates has leveled off and the current death rate among policyholders is not much different," the institute declared.

Prior to 1947 there had no national program company. Work was done by the agents, new managers, and in 1947 the security, etc.

A new training established to their formula for agency could be revised to agency.

The Ke... approved an of incorporation to permit companies to operate. The Ke... Smith noted from a lib... nies to organ... aries. He a... had been s... for formation. He did unde... was presen... determine

March 25, 1961

LIAM...
Tell...
Book...
The av...
and the

Max W...

the aver...
full-time...
from \$18...
of full-ti...
didn't in...
marginal...
ated. T...
favorable...
time peo...
to 85%.

The re...
United sh...
1957 the...
erage of...
The year...
recruited...
the "agen...
been in o...
cruited an...
and in 19...
Had No

Prior to 1947 there had no national program company. Work was done by the agents, new managers, and in 1947 the security, etc.

A new training established to their formula for agency could be revised to agency.

The Ke... approved an of incorporation to permit companies to operate. The Ke... Smith noted from a lib... nies to organ... aries. He a... had been s... for formation. He did unde... was presen... determine

Common...
Approv...
Fire, Co...

The Ke... approved an of incorporation to permit companies to operate. The Ke... Smith noted from a lib... nies to organ... aries. He a... had been s... for formation. He did unde... was presen... determine

REINSURANCE

Reinsurance is the best device yet invented to add the required scope, capacity and security to meet the growing market.

Employers Re provides complete service in

A & S LINES

EMPLOYERS REINSURANCE CORPORATION

KANSAS CITY, MISSOURI
21 West 10th St.

NEW YORK
167 William St.

CHICAGO
175 W. Jackson

SAN FRANCISCO
100 Bush St.

SHOW 1960 INSURANCE RESULTS

	1960 New Business	1959 New Business	1960 Increase in Insurance In Force	1959 Increase in Insurance In Force	Increase Dec. 31, 1960
Allstate Life	241,873,208	356,376,198	284,430,221	380,634,458	1,660,884,961
Credit Life, Ohio	1,091,398,416	1,015,169,809	207,535,220	154,514,568	1,319,335,821
Guardian Life	310,301,729	286,689,622	174,012,681	161,388,497	1,952,308,036
Imperial Life, Canada	160,977,369	153,821,801	768,942,970	96,679,732	1,249,569,546
Independent Life & Accident	744,244,712	768,265,582	58,419,859	98,689,625	895,388,061
Industrial Life, Canada	144,744,759	132,192,746	80,111,537	83,387,028	766,394,860
John Hancock	3,283,807,875	3,351,961,262	1,958,205,821	1,947,816,166	26,184,481,360
Liberty Life, S. C.	238,653,349	227,046,237	140,920,506	118,945,642	1,292,341,419
Life of Virginia	601,393,560	351,597,260	344,826,761	115,324,621	2,744,458,000
Metropolitan Life	6,965,197,030	7,977,117,634	4,243,019,741	5,775,795,953	94,245,883,075
North American Re	524,955,323	436,964,432	159,044,233	196,600,943	1,437,870,260
Northeastern of New York	36,755,106	41,315,201	217,800,211	39,205,225	528,582,220
Prudential	9,986,895,927	10,143,444,087	5,451,872,386	6,206,932,796	82,182,997,400
United, Chicago	333,272,002	288,131,640	63,184,866	50,677,589	772,018,000
New business figures include the following amounts of revivals and increases for 1960 and 1959 respectively: \$29,245,185 and \$23,578,864; \$73,792,494 and \$77,981,342.					

March 25, 1961

LIAMA MANAGEMENT CONFERENCE**Tells How 'Agencies In Action' Boosted Policy Size, Persistency**

The average size policy has doubled and the persistency trend has risen at



Max W. Hittle

American United Life since it inaugurated its "agencies in action" program in 1958, said Max W. Hittle, manager of agencies, in telling of some of the results of the program, at LIAMA's agency management conference in Chicago.

Mr. Hittle said the average first year production per full-time agent contracted increased from \$180,000 to \$260,000. The number of full-time agents under contract didn't increase a great deal but the marginal producers have been eliminated. The retention trend is more favorable and the business from full-time people has increased from 77% to 85%.

The recruiting figures for American United showed that from 1950 through 1957 the company recruited an average of 55 full-time agents a year. The year preceding the program it recruited 76 men. In the three years the "agencies in action" program has been in operation the company has recruited an average of 124 men a year and in 1960 it recruited 130.

Had No Organized Program

Prior to April, 1958, the company had no organized recruiting program. At the time the "agencies in action" program was put into operation the company also did some other things. Work was intensified on upgrading the agency managers and in adding new managers. An attempt was made to develop a philosophy among the managers that, in addition to writing personal business, their primary job was to build men and if they did this, all the other things (profit, prestige, security, etc.) would follow as a result.

A new-man development section in the training department was established to assist the agency managers with their retention problem. The formula for determining how much money could be expended in each agency was revised to relate it very closely to agency performance and growth.

The financing plan for new agents

Commonwealth Life Gets Approval On Move To Form Fire, Casualty Insurer

The Kentucky department has approved an amendment to the articles of incorporation of Commonwealth Life to permit the Louisville-based company to organize and own subsidiary companies to write property and casualty.

The amendment had previously been approved by the company's stockholders and Commissioner W. T. Hockensmith noted that the action resulted from a liberalization in the insurance laws in 1960 to permit life companies to organize and own such subsidiaries. He added that no formal plans had been submitted to the department for formation of such a company, but he did understand that Commonwealth was presently engaged in a study to determine its feasibility.

was revised and this caused the managers to be more conscious of and interested in quality people. "In a gentle, but firm way, we indicated to our agency managers that only those who responded to the primary job of building an agency could continue to

be identified as agency managers," said Mr. Hittle. "We not only emphasized recruiting but were also putting emphasis on the retention of the men recruited. In addition to the increased production, as a company we had a target of a minimum number of new full-time men to be contracted. In this program we utilized the competitive spirit idea, feeling that if we could get out managers to compete it would help us keep the enthusiasm and momentum of the program going."

At the beginning of each period of the program the managers were asked

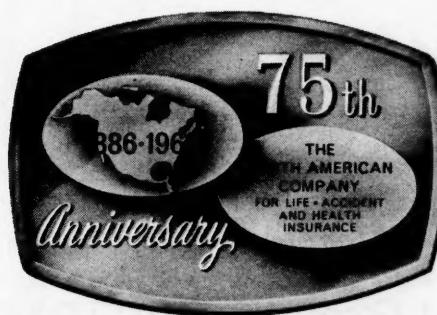
to set their own quotas for the number of full-time men to be contracted. They thus created their own pressure.

American United is sold on the idea of pre-contract orientation. It endeavored to sell managers on the idea of putting a minimum of one man per month into pre-contract selection. This was an indirect way of getting the managers to automatically increase their recruiting activity. At the same time it puts them in a position to be more selective, and with increased recruiting activity the managers get

(CONTINUED ON PAGE 27)

SPECIAL REPORT FROM CHICAGO:

For 75 Historic Years...



Since 1886 . . . three-quarters of a century of growth and progress . . . North American has attained the enviable position as one of America's oldest and soundest insurers.

North American's sharp growth pattern over 75 years is etched in sales success. Perhaps you are the General Agent seeking sales success. If so, write:



THE NORTH AMERICAN COMPANY
FOR LIFE, ACCIDENT AND HEALTH INSURANCE
209 S. LA SALLE STREET • CHICAGO 4, ILLINOIS

Operating in 48 states and the District of Columbia

BASED ON RECENT LIBERALIZATION

Prize-Winning Article Tells How To Use OASDI To Sell Disability

The article that follows won for Emory Jenks Jr. of Atlanta the top award offered annually by Pacific Mutual Life for the best article appearing in Pacific Mutual's Field News during the preceding year. The late Al Robinson of Oklahoma City won sec-

ond place and Abram L. Geller of Houston was third. Executive Editor Robert B. Mitchell of The National Underwriter acted as judge.

By EMORY JENKS

Here is an approach to disability in-

come sales which I have found to be very versatile and a good door-opener. Though I have used it outright with "cold" prospects, it probably has its greatest value in instances where you have met the prospect before, but have been unable to get him to talk seriously with you.

When you have your prospect, you need one important tool—a booklet explaining recent social security disability provisions. Many pamphlets regarding the amended act are available, including R&R's "Social Security at a Glance," which summarizes all

the latest benefits.

Next, you call on someone who is working and earning money. Let's assume it is a person you've approached before without success. Now you've dropped in with the idea of reopening discussion with him. You remind the prospect that you represent Pacific Mutual. Then you pause. What you want is the reaction. Let him talk. He will be giving you information that can be used as ammunition later in the sale. Of course, in most cases he is going to say that he has all the insurance that he wants. Or that he really doesn't have time to talk to you. Or some other excuse.

You have the social security booklet in your hand and hold it out for him to see. You begin, "Effective Nov. 1, your social security disability benefits have been greatly liberalized. Since this affects you, I wanted to make sure that you would know about it. If you have five minutes now, fine. If not, when would it be convenient for me to come back and outline these new benefits?"

Through your O.I.D. ("observe-inter-decide," Pacific Mutual's formula for decision-making on sales situations) you will be able to tell if the prospect has time to talk to you then. If so, proceed; if not, try to set up an

(CONTINUED ON PAGE 30)

United Equity Life Describes 'Life-Line' Policy For Heart Cases

At a press conference last week, Jerome Garland, president United Equity Life of Chicago, described the company's "life-line" policy, designed especially for persons who have suffered heart attacks or related ailments. The contract is a non-participating endowment at age 90, with graded death benefits during the first five years.

Maximum amount of coverage is \$5,000, of which the company's maximum retention is \$2,500.

The policy is written on a non-medical basis, the only requisite being an attending physician's statement. Mr. Garland said attending physicians have been "extremely cooperative" and have praised the therapeutic value to their patients of being able to purchase life insurance of any kind.

If the policyholder dies during the first five years, the death benefit and all premiums paid in are returned.

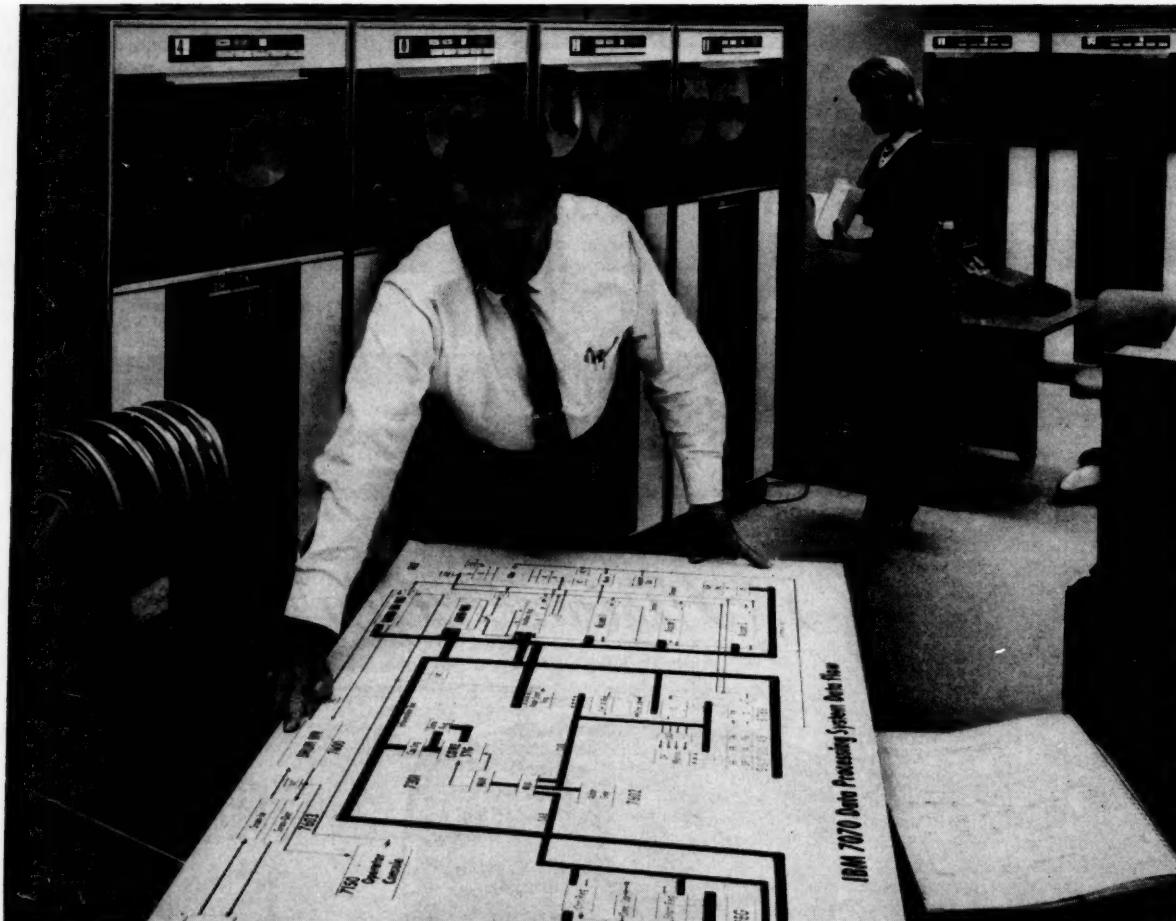
For example, a man, age 35 (the minimum age for the plan), pays an annual premium of \$334.60. In the first year the basic death benefit is \$1,000 plus refund of premium. The basic death benefit for the next four years is \$1,500, \$2,500, \$3,000, and \$3,500 and becomes \$5,000 thereafter, with no refund of premium after the fifth year.

Cash or loan value at the end of 20 years is \$321.72 per \$1,000, \$509.99 at age 65, \$679.10 at 75 and \$842.49 at age 85.

Himself a "graduate" of a heart attack, Mr. Garland noted that medical authorities agree that a major deterrent to recovery after a heart attack is fear or anxiety . . . and being able to obtain new or additional life insurance in such a situation "will be a real benefit to many."

The company also writes various forms of standard contracts, all non-par.

United Equity is a legal reserve stock company and received its charter from the Illinois department last July. Authorized capital is \$3 million. Par value is \$2. The 100,000 shares outstanding of the 1,500,000 authorized are owned by company officials.



FINAL CHECK-OUT. American General engineer Warren Tuley reviews schematic data flow chart of the IBM 7070 Data Processing System.

American General Group's new IBM 7070 meets data processing needs with time to spare

Insurance company computer also serves Standard of Texas.

Two businesses could hardly be less alike than American General Group and Standard Oil Company of Texas.

But the two do have one common characteristic. And that's the ability to put an IBM 7070 Data Processing System to profitable use, on a share-the-time basis.

The 7070 is a highly advanced computer. It lets American General speed servicing of their entire multiple-line operation. *Life. Mortgage Loans. Fire. Casualty.* What's more, the 7070 handles all actuarial calculations, eliminates a year-end problem by providing annual statistical information automatically.

Now American General processes data in two hours that used to take them at

least twenty-four. As a result, the company has some computer time available. And this they are leasing to a neighbor, Standard Oil Company of Texas.

Standard of Texas, starting with an IBM 650 nearly five years earlier, required the larger 7070 for its scientific and engineering calculations as well as for the accounting functions. At the same time, American General is prepared for the tremendous growth they see ahead. Thanks to the arrangement with Standard of Texas, they are able to justify installation of this powerful computer designed to meet their growing needs.

Want to know more? For full information about the 7070 and other pacesetting IBM Data Processing Systems, simply call your nearest IBM office.

IBM
DATA PROCESSING

who is
let's as-
roached
you've
opening
ind the
Pacific
hat you
alk. He
on that
r in the
s he is
e insur-
e really
you. Or

booklet
for him
Nov. 1,
benefits
. Since
ke sure
If you
If not,
for me
se new

rve-in-
l's for-
les sit-
l if the
u then.
up an

week,
United
ed the
designed
ive suff-
lments.
cipating
graded
st five

age is
maxi-

non-
being
ment.
sicians
rative"
e value
o pur-
l.

ng the
it and
ned.

5 (the
ays an
e first
\$1,000
basic
years
00 and
th no
a year.
of 20
0.99 at
at age

art at-
medical
deter-
attack
g able
insur-
a real

arious
non-
eserve
charter
July.
n. Par
s out-
orized



SIDNEY C. ORY

"...my income increased ten times"

Mr. F. J. O'Brien, Vice President
Franklin Life Insurance Company
Springfield, Illinois

Dear O'B:

Recently I completed my tenth year with the Franklin Life and I can hardly express my deep appreciation for the wonderful things that have happened in that decade. In the 14 years of my previous insurance connection, I enjoyed many honors, and qualified for all honor clubs and conventions based on production. But I was never able to attain the substantial income that I felt my work and efforts had earned. In fact, I seriously considered leaving the business, even though I loved it, and enjoyed the work.

While making these decisions back in 1949, it was my good fortune to contact Franklin's Regional Manager B. B. Johnson in New Orleans. The result has completely changed my life. *In ten years, my income has increased more than ten times over the previous high.* And while this is by no means the sole measure of happiness and success, it does contribute greatly to job satisfaction. And I have thoroughly enjoyed my work as a Franklineite, with an appreciation of the business that I never knew before.

I have been able to send my daughters through college, with no financial strain. They each have their own automobile; as does my wife. We own a lovely home in a lovely neighborhood and enjoy membership in our Country Club. These are many of the extras made possible by good income. I have also found time for much civic work as a result of the freedom of my status as a Franklin Life representative.

I sell nothing but Franklin exclusives. This makes me different from all other life insurance men. And it makes it possible for me to bring a new approach to the solving of family problems, and creation of family security for my clients. I feel a deep sense of appreciation and enjoyment in being associated with a truly great life insurance company. And I look forward to long years of continued happy association.

Cordially,
Sidney C. Ory

Lafayette, Louisiana
January 13, 1961

The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1854

The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans.

Over Four Billion Dollars of Insurance in Force

6 Management Level Promotions Made By New England Life

New England Life has promoted six members of its management staff and named five new officers.

John L. Stearns, vice-president, insurance administration, was given the additional title and duties of senior actuary, and Ernest J. Moorhead, actuary, was elected vice-president and actuary. Elected 2nd vice-presidents

were Aubrey F. Horton, group secretary, and William L. Wadsworth, agency consultant. Herbert J. Boothroyd was promoted from assistant to associate group actuary and Charles A. Yardley from assistant to associate actuary.

Named assistant secretaries were William B. Ferguson, director of agency operations and finance; Thaxter P. Spencer, manager of the pension business department; Robert W. Judd, director of group life and A&H underwriting and administration, and J. Keith Williams, agency management

consultant. David B. Wray, security analyst, was appointed investment officer.

Mr. Stearns, a fellow of Society of Actuaries, joined New England Life in 1923, became actuary in 1947 and 2nd vice-president in 1950. Mr. Moorhead, also a fellow of Society of Actuaries, was an actuary on the staff of LIAMA, assistant actuary of Great-West Life, executive vice-president of United States Life and joined New England Life as associate actuary in 1952.

Mr. Horton entered the life insurance business with Sun Life of Canada, was assistant manager of John Hancock's retirement plan division from 1943 to 1953, when he entered New England Life's group department as supervisor of group pension sales, and was named director of group sales in 1956. Mr. Wadsworth has been with the company for 45 years, serving in various executive positions in the home office and field. He was general agent at Buffalo from 1947 until last year when he was recalled to the home office. He is past president of Buffalo Life Underwriters Assn., Buffalo General Agents & Managers Assn. and New England Life General Agents Assn.

After three years in Massachusetts Mutual's actuarial department, Mr. Boothroyd joined New England Life in 1957 as assistant group actuary. Mr. Yardley has been with the company since 1949, first as an actuarial student and then as supervisor of the dividend and research sections. Both men are fellows of Society of Actuaries.

Mr. Ferguson was with Massachusetts Mutual until 1954, when he entered New England's agency department. He is a fellow of Life Office Management Assn. Institute. Mr. Spencer has been with the company since 1949. Mr. Judd entered the group underwriting field with Travelers, joined American Mutual Liability in 1951 and entered New England's group department in 1955, becoming manager of the group life and A&H underwriting and administration department in 1957. Until 1958, Mr. Williams was general agent at Sacramento. He is a former vice-president of Sacramento General Agents & Managers Assn. Mr. Wray entered New England's securities department in 1953.

LIAMA Management Unit Names Sherer And Committeeen

Charles E. Sherer, vice-president and director of agencies Midland Mutual Life, was elected chairman of LIAMA's Agency Management Conference at the spring meeting in Chicago. He succeeds Ronald D. Rogers,



Ronald D. Rogers, vice-president and director of agencies North American Life of Chicago and retiring chairman of LIAMA's Agency Management Conference (left), with his successor as chairman, Charles E. Sherer, vice-president and director of agencies Midland Mutual Life.

vice-president and director of agencies North American Life of Chicago. Both are CLUs.

Elected to three year terms on the conference committee were Arnold Berg, vice-president and director of agencies Indianapolis Life; John R. Carnochan, executive vice-president Union Mutual Life; Hollis L. Manly Jr., vice-president and director of agencies C.I. Life and Warren M. Pace, senior vice-president Life of Virginia. Mr. Berg had served for one year on the committee to fill an unexpired term of a member who had resigned.

Retiring from the committee are C. B. Barksdale, vice-president Protective Life, and M. K. Kenny, general manager Excelsior Life.

GA Blasts Kennedy Health Program, Makes Headlines

Under a four-column headline, "Kennedy's Health Program Blasted," an interview with the president of the Charleston (W. Va.) Life Underwriters Assn. got featured treatment in a recent issue of the Charleston Daily Mail.

William T. Graham, general agent for Lincoln National Life and secretary-treasurer of the local managers association, wound up the interview by saying, "This type of precedent could prove disastrous to our country's concept of free enterprise, and could lead to further socialization, such as socialized medicine."

Mr. Graham analyzed the Kennedy proposals and declared that only a small fraction of the older people are actually unable to post the money for their hospital and health care expenses, hence he believes it unreasonable to place heavy tax burdens on the present and future generations to pay for an unneeded service.

George A. Buttner of Prudential's Vort agency at Newark has been awarded the company's presidential trophy as its leading brokerage manager for 1960.

FIVE SIX KEY GENERAL AGENTS WANTED... INCREASED INCOME

IMMEDIATE VESTED RENEWALS

The American Bankers has always endeavored to set the pace—not merely keep up with it.

IN NINE YEARS OF ACTIVE OPERATIONS

1960.....	\$415,964,468
1956.....	127,927,609
1952.....	4,408,032

We are continuing to develop a quality Ordinary agency force in depth, producing the highest type of business at a reasonable cost. Our key representatives must be financially solid, reasonably trained, with a responsible standing in the community in which they reside, and have the ability to select and direct men.

There Is a Reason for Our Progress

COMPLETE LINE OF VERY COMPETITIVE POLICIES INCLUDING

WIFE 20 YEAR TERM RIDER—issued up to \$250,000—50% of husband's insurance. If husband dies or is disabled wife's premium is waived. All these benefits, wife age 30—\$7.00 per \$1,000 annually.

INCREASING PROTECTION PLAN—Terrific package for top income groups.

PLUS

STOCK OPTION PLAN—Liberal Option Agreements for both recruiting and personal production.

COMPLETE TRAINING AND AGENCY BUILDING "KNOW-HOW" PROGRAM

WRITE OR WIRE CONCERNING YOUR OPPORTUNITY IN THIS DYNAMIC COMPANY

JAMES G. RANNI
Chairman of the Board

JAMES B. SISKE
Vice Pres. and Director of Agencies

R. KIRK LANDON
President

**AMERICAN BANKERS LIFE
ASSURANCE COMPANY of FLORIDA**
Home Office Miami 32, Florida



Zone 5 Making Plans

Zone 5 of NAIC will meet in Omaha April 23-25. Frank Barrett of Nebraska will be host of the eight-state affair. About 1,000 invitations are being extended to personnel concerned in Nebraska, Kansas, Colorado, Wyoming, New Mexico, Texas, Oklahoma and Arkansas. Initial expectations are that about 500 will attend.

George A. Buttner of Prudential's Vort agency at Newark has been awarded the company's presidential trophy as its leading brokerage manager for 1960.

Experts Give Atlanta Group Men Some Ideas On What Lies Ahead

The Atlanta Group Representatives Club recently conducted its second annual seminar on group life, pensions and A&S. Following are quotations from some of the panel speakers:
A. M. Wilson, assistant vice-president Liberty Mutual, emphasized the troubles brought on by the typical insurance plan, which pays only for hospital services:

The insurance plan pays not only the hospital charges but the doctor's visit as well, while in the hospital. If the patient goes home, he seldom gets anything. By basing insurance benefits on the place where service is rendered instead of on the cost of needed service regardless of where given, we seem to have built a system of medical mores which demands that year after year, we call upon industry and the working man to carry a greater load of expense.

Major medical and comprehensive medical started at least with the idea of paying a certain percentage of the cost of service regardless of the place of service. It seemed easier, however, to sell programs with no deductibles and co-insurance on hospital charges. Some insurance people continue to insist that surgeons' fees are of no concern to insurance carriers other than to raise enough money to pay the fees. Thus, no-fee-schedule-insurance produces losses in the same community 20% to 30% higher than losses under fee schedules.

Cites Steelworkers Data

Experience under the Steelworker's plan showed that steelworkers and their families receiving comprehensive medical care through well organized medical services under the Kaiser Permanente plan had 570 days of hospitalization per 1,000 insured persons, compared with 1,032 days for those insured under Blue Cross. Those under Kaiser Permanente had 33 in hospital surgical cases per 1,000 insured, compared with 63 under Blue Cross and commercial insurance. The economies which resulted, this study adds, were not achieved by sacrificing quality or amount of care.

We must accept the responsibility of informing the public that good medical care is costly, but we have to justify that cost by results achieved. We cannot justify the cost of inefficient and non-productive medical care regardless of what it costs, if we are to fulfill our trusteeship of the public's health-care dollars. What right have we to go to Washington and demand that the government stay out of our busi-



New Castle County (Del.) Life Underwriters Assn. holds its first training conference at the Hotel duPont in Wilmington, which is attended by, seated from left, Elizabeth Kindregan, Equitable Society, public relations chairman; Ralph P. Lutz, Mutual Benefit Life, president; Ann Bickerton, di-

rector of field services of NALU, and Frank Frances, broker, president of Delaware Life Underwriters Assn. Standing, from left, are Warren Beh Jr., Sun Life of Canada, treasurer; Sigmund Lipstein, Mutual Benefit Life, education chairman; Max Stazeky, Sun Life of Canada, secretary, and A. Duer Pierce, Fidelity Mutual Life, vice-president.

ness, if private insurance does little more than impose a greater financial burden year after year on industries and workers? . . .

The public is clamoring for truly comprehensive prepayment of medical services. There are programs of comprehensive care now in operation that have gone beyond the experimental stage and proved their value. They all have one thing in common—medical facilities organized and coordinated with the pre-payment plan. Insurance attempts to provide comprehensive coverage without such coordination, have resulted almost universally in runaway costs which neither industry nor the workers can continue to support. . . .

If insurance men are willing to assume leadership in positive and constructive action, the door is open not merely for expanding our professional skills but for achievement of greatness. Group insurance men should no longer be confined to working out plans of benefits to produce a predetermined price, to build up retention exhibits that follow a cotangent to nowhere, and to wrestle with rate increases at the end of each year. Instead, you should be designing plans coordinated with local facilities. We should work with local leaders on the basis of learning and understanding to organize facilities which science and experience have demonstrated can lead to better health at lesser cost. The economics of medical care is the business not only of those who provide care but also those who pay for it—the individual, private enterprise, and the community.

Clyde O. Goodrich, group underwriting manager of Provident Mutual Life, discussed the problem of rising costs and the danger of insurance pricing itself out of the market:

The question rises whether, with this pattern of rising costs, it is inevitable that the cost of our product will continue to increase at a rapid rate until it is priced out of competition. I don't think so, provided we in the industry can do a basic educational job in our relationships with the insurance buying public in general, and the employers who buy our product in particular. There has been some evidence that the employees, who are the ultimate arbiters of the level of group insurance benefits sold, are gradually coming around to the idea that a reasonable limitation on benefits is necessary to protect group insurance costs.

It has been my feeling that in the past the emphasis has been on benefits

to the exclusion of cost considerations as far as the individual employee was concerned, but that the situation is slowly changing for the better and that we are approaching a situation where, on the one hand, employee groups in general and labor unions in particular realize that a pattern of higher and higher benefits cannot be maintained within a reasonable cost pattern, and, on the other hand, the employers who have sometimes placed such a stress on keeping their group insurance costs to an absolute minimum are beginning to realize that they must make substantial contributions toward the cost of the benefits and must also make sure that the level of benefits is reasonable in comparison with the present cost of medical treatment.

Those of you who have day-to-day contact with the group insurance buying public should continue to emphasize

Plan 25% Stock Dividend For BMA

Directors of Business Men's Assurance have called a special meeting of stockholders April 7 for a vote on a 25% increase in authorized capital. Approval of the stockholders would enable the board to declare a 25% stock dividend payable May 4 to stock of record April 17. This would increase capital from \$8 million to \$10 million, requiring transfer of \$2 million from surplus. On Dec. 31, 1960, surplus stood at \$26,833,500.

the fact that on the one hand the continuing increase in the cost of providing medical services requires that group insurance plans be continually revised to reflect the increasing and

(CONTINUED ON PAGE 28)



CHANGING TO THE 1958 CSO TABLE?

BOWLES, ANDREWS & TOWNE has available:

- Non-forfeiture values, 2½% and 3%, minimum first 5 years graded into CRVM reserves end of 15 years. CRVM and Net Level reserves, for most standard and some special plans.
- Electronic computing facilities (both Burroughs 220 and IBM 607) for calculating: non-forfeiture values, asset shares, reserves, gross premiums, dividends.
- A large staff experienced in serving as the company's actuary or working as an extension to the company's actuarial department. In addition to computing work the staff can assist in establishing basis of dividends and gross premiums and preparation of policy forms and ratebook text.

For further information write or call

BOWLES, ANDREWS & TOWNE, INC.

RICHMOND:	ATLANTA:	NEW YORK:
P. O. Box 6716 Richmond 30, Virginia	1389 Peachtree Street, N.E. Atlanta 9, Georgia	156 William Street New York 38, N. Y.
PORTLAND:		DALLAS:
465 Congress Street Portland, Maine		715 Meadows Building Dallas 6, Texas
		MIAMI:
		100 Biscayne Boulevard, South Miami 32, Florida

A&H SALES DIRECTOR \$15,000

One of the country's leading A&H companies, located in the midwest, needs an experienced man to take charge of sales on a national scale. Must have ability to organize and direct successful production results with help of strong sales promotion department. Company possesses strong portfolio of A&H.

Job #N-323

LIFE AGENCY DIRECTOR \$20,000

Large eastern company wants an experienced and qualified man, well versed in both Industrial and Ordinary Life, to head Ordinary sales force. Home Office experience is not mandatory but must have an ability to organize and lead men. Company's rapid growth in past few years indicates an organization on the rise.

Job #N-324

Please refer to Job Number in your inquiry. Send for our brochure, How We Operate. No obligation to register.

FERGASON PERSONNEL
INSURANCE PERSONNEL EXCLUSIVELY

330 S. Wells

Harrison 7-9040

Chicago 6, Illinois

R. B. MECKLENBORG TELLS MICHIGAN AGENTS:**Prospecting Not A Problem-But Weak Name-Getting Technique Is A Bad One**

Is prospecting really a problem, or doesn't the problem really lie within the agent himself, when:

—More than one-half of the people who are asked for names will cooperate, as revealed by the recent LUTC-LIAMA survey.

—Seven out of eight policyholders

never receive service from the agent who sold them their policies.

—Twenty out of 100 of an agent's policyholders will buy this year—from someone.

—Friends and acquaintances actually prefer to deal with friends.

This question was posed by Robert

B. Mecklenborg, editor of the Diamond Life Bulletins of the National Underwriter Co., in his talk at the Region 3 meeting of Michigan Life Underwriters Assn., held at Jackson.

"The problem is not so much prospecting as it is *you*," Mr. Mecklenborg declared. "Agents neglect to ask for referred leads because they forget or are afraid, and they forget or are afraid because they simply have not taken the time to learn a good prospecting talk."

"The 'tonic' for not knowing how to ask is to learn, practice, rehearse, use

and perfect a talk and technique for getting good names.

"The 'tonic' for overcoming the fear of asking is knowledge and logic, knowing why it is logical to ask names, thinking it through and believing that it makes sense to ask names as a part of every selling interview, whether or not a sale is made.

Mr. Mecklenborg demonstrated several methods and techniques for getting names after successful and unsuccessful selling attempts. He spoke about the inner strengths an agent should develop for success in prospecting, and closed his talk with this thought:

"Whence comes the power, the energy, the desire to climb the prospecting ladder to success? From within yourself—from improvement in your personality, your beliefs and attitudes, your knowledge, your capacity to serve, and your selling skills."

IAHU Adds 2 New Units, Bringing Total To 99

Two new associations have joined International Assn. of Health Underwriters—Slope Area Assn. of Health Underwriters, with headquarters at Billmarck, and Huron Assn. of Health Underwriters, with headquarters at Huron, S.D. Total of IAHU state and local associations is now 99.

Slope area association officers are Marland Black, Woodmen A.&L., president; Conrad B. Kirmis, American L.&C., vice-president, and Jerome A. Bjordahl, Bankers L.&C., secretary-treasurer.

Huron association officers are Dihl Hasz, Woodmen A.&L., president; C. R. Hamro, Provident Life, vice-president, and E. L. Delire, Woodmen A.&L., secretary-treasurer.

North Dakota and South Dakota are in the midst of a membership contest for IAHU recognition and honors. Last year, South Dakota won the trophy. To date, New Hampshire association is the leader in surpassing its membership quota for the year.

Agents Of Six Months Have \$1 Million Month

Harvey G. Smuckler agency of Continental Assurance at Milwaukee has completed a sales contest in which there were no prizes and a high goal. With 80% of its agents having less than six months' experience, the agency produced more than \$1 million in life insurance during February. This was achieved by a sales staff of 18—full-time agents, two supervisors and Manager Smuckler.

Merger Of Two Birmingham, Ala., Companies Completed

Mercantile Life and National Security, both of Birmingham, Ala., have been merged, following ratification of a merger proposal by stockholders of both companies and approval by the Alabama department. National Security is the surviving company.

The combined companies will have a premium income in excess of \$3 1/2 million and total assets of more than \$10 million, and will operate in Alabama, Florida, Georgia, Mississippi and South Carolina.

Good ad
swiftly p
most ex
of insur
idea that
a sales p
...plus t
mutual f
prospect

MANAGERS ARE BORN ...AND MADE, TOO!



R. S. Brown, left, looks on as Agent C. W. Patterson makes sale to Mr. & Mrs. Earl J. Thomas, Worthington, Ohio

JOINT FIELD WORK

At Northwestern National we believe that joint field work is an important part of the everyday problems a manager faces in the field. N/W National Management Trainees, after conducting pre-field training classes for new men, go directly into the field with them to observe and assist them.

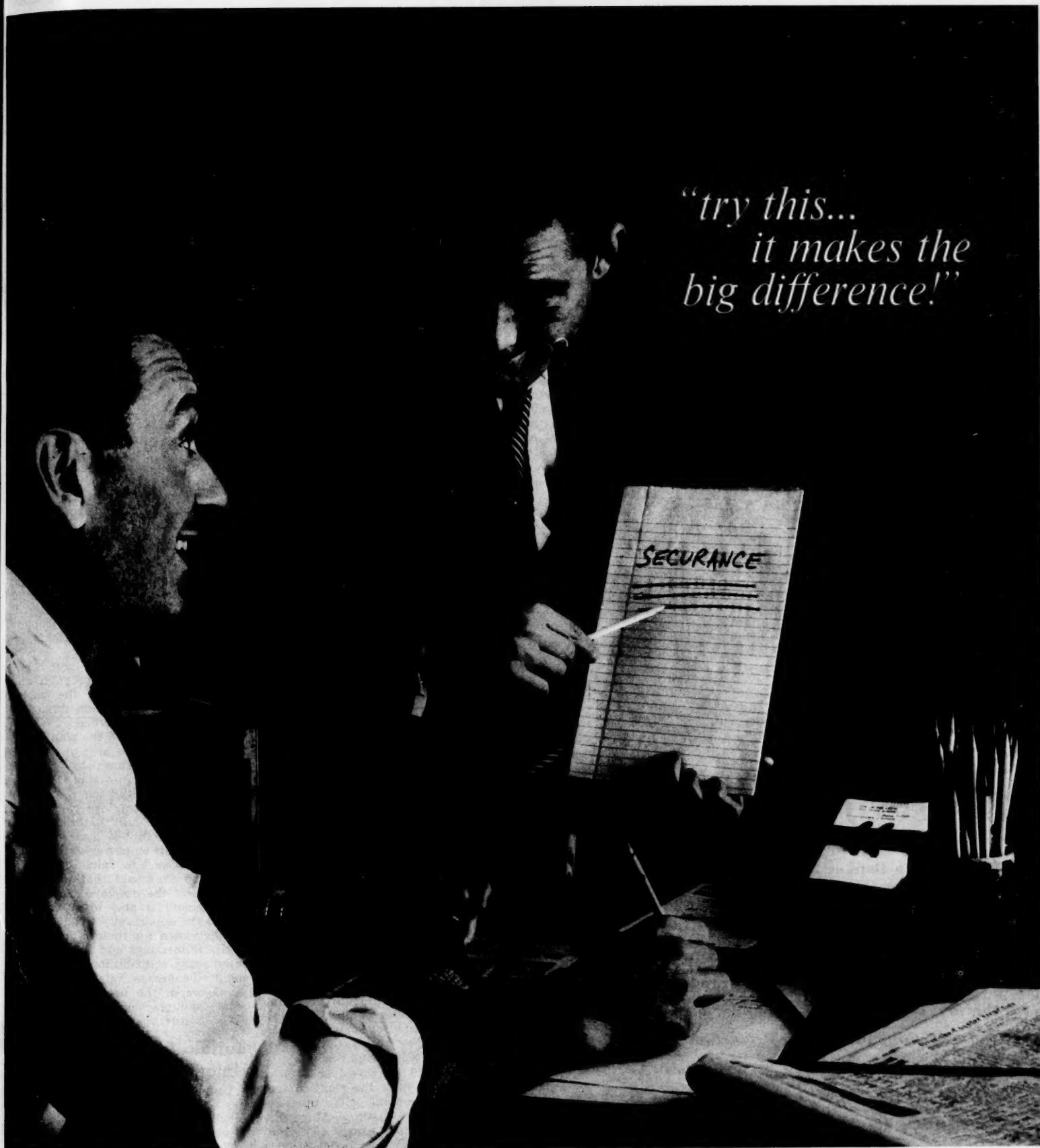
One of the basic duties of our six Divisional Superintendents of Agencies is the preparation of men for agency management. We always have from 12 to 18 men in our Management Training Program.

N/W NATIONAL
Life Insurance for Living

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY • MINNEAPOLIS, MINNESOTA



RATE BOOK SPECIALISTS	DESIGN PREPARATION PRODUCTION PROOF READ SINCE 1953
THE KLOPP CO.	
10th & Douglas - Omaha, Nebr. - 342-4953	



*"try this...
it makes the
big difference!"*

Good advice. Nationwide's SECURANCE is swiftly proving itself as one of the freshest, most exciting concepts in the whole history of insurance! A big, striking multiple-line idea that equips the Nationwide agent with a sales portfolio of 131 different coverages...plus the opportunity to sell shares in a mutual fund. Millions of policyholders and prospects have read, discussed and been

impressed by the powerfully promoted SECURANCE idea. Agents find it makes the big difference—between an interview and a sale. Put SECURANCE in your production plans. Join our expanding sales staff...join the men who can tell their prospects with confidence, *"If we don't have it, you don't need it!"* Write: Dean W. Jeffers, Vice President—Sales, Nationwide, Columbus 16, O.

SECURANCE...exclusive with

NATIONWIDE

Nationwide Mutual Insurance Company / Nationwide Life Insurance Company
Nationwide Mutual Fire Insurance Company / home office: Columbus, Ohio

Huey Warns Against Unrealistic Plans Poorly Researched

Unsound or unrealistic objectives often result in inability to complete a job satisfactorily, Burkett W. Huey, managing director of LIAMA warned in his talk at the LIAMA agency management conference at the Edgewater Beach Hotel, Chicago.

Burkett W. Huey

"Sometime when we are planning, we are thinking only in terms of results—production, men, dollars," he said. "Merely setting objectives doesn't constitute establishing a plan. That is just the first step."

When an agency officer faces questions such as whether to go into

group, to add A&S, to form a property insurance affiliate, or to expand the company's market geographically, these are questions that can't be answered without sound plans being made to reach reasonable solutions, said Mr. Huey.

What To Ask Oneself

The questions an agency officer should ask himself before reaching a conclusion include, Will the plan hang together? Is it consistent? Does it consider company traditions? Can the company afford it? Why does the agency officer want to do it? Is the reason for doing it sound? Is the plan technically sound or is it likely to collapse?

When these questions have been answered satisfactorily, then there is the question of timing, and it is of great importance.

"Good planning certainly takes into account the fact that contingencies, other than those suggested, may occur," Mr. Huey pointed out. "Good planning doesn't become excessively enamored with pet ideas and give them too much weight. A good plan is not so inflexible that it freezes in-

itiative from then on."

The speaker quoted Laurence Morrison, former LIAMA staff member:

"Don't try to run a business on the basis of dogma and presuppositions. You must at all times observe the fundamentals of sound ethics, and good business management planning. Taking these for granted, you have to examine the facts of each particular situation and do what the facts indicate."

"The function of the executive is to make decisions and not to go by the rule book. The basic and primary function of the good executive is to know when to make an exception."

"Bureaucracy is where everything is run by the rule book and nobody can make a decision. That is why it is so difficult to do business with the post-office or any government agency."

Question For Companies

A question Mr. Huey suggests the companies might ask themselves is: "Are the conditions of sale we propose well suited to the needs of the period and of the people? In the final analysis, our real success and even survival depends on how accurately our plans interpret this question."

In conclusion, Mr. Huey emphasized his belief that the reasons why life insurance was invented and why it is successful haven't changed. He said people still grow old, still die too soon, and they still need the urgency of compulsive saving. Therefore, he said, "Let's base plans on a realistic understanding of our own situation, but let's build a foundation on what has already been accomplished."

"We must employ far-sighted judgment to the best of our ability. We must exercise patience, not seeking revolution, but evolution. We must author all our plans to sound actuarial principles that will not become indefensible or ruinous in another generation. We must be bold, willing to accept new conditions and adapt to them."

Gives Pointers On How To Sell Salary Savings Programs

The wholehearted cooperation and endorsement of top level and second level management are necessary for success in using salary savings as a means of selling life insurance, Robert P. Hale, vice-president and agency director of Tennessee Life, told the LIAMA agency management conference in Chicago.

Mr. Hale pointed to several reasons why a man is successful in soliciting the salary savings market, the first being his willingness to regiment his time to the demands of his client. Salary savings requires persistent and consistent effort to sell the employee as well as top management. The ultimate objective is to create the image that he is "their" insurance man and this can only be achieved by repeated selling or servicing calls.

The second key to success is for the agent to have the imagination to put himself into the position of management and the employee so he can work for the company at the same time he is recognizing and satisfying the needs of the employee in his search for adequate security.

Should Integrate Benefits

A third road to success in salary savings selling is presenting an organized solicitation which outlines the benefits currently provided by the employer, considers the employee's present life insurance ownership, projects the benefits to be expected from social security, ties these benefits together into a simple program which points up the needs of the employee and presents the solution through the medium of salary savings.

Mr. Hale discussed the plan Tennessee Life uses in this area in connection with its group business. It is called the employee security program. "We stress to management that they give great importance to employee benefits and we also point out that management cannot give complete protection or security to their employees through fringe benefits alone," he said.

The speaker said that through the medium of the employee security plan management is able to offer its employees the opportunity to do something on their own for their future security with the blessings and sometimes with a monetary contribution from management. Tennessee Life points out to management the usual advantages of salary savings such as tying employee

(CONTINUED ON PAGE 25)

Buffalo Agency Wins Top Union Mutual Honor Spot

Union Mutual Life of Portland, Me., has awarded its top recognition, the president's scroll, to its Buffalo agency, headed by John C. Russell Jr.

The honor is awarded on a point basis, determined by 23 standards of excellence. The Buffalo agency had one member in the 1961 President's Club and three in the 1961 Distinguished Service Club and the Non-Can Club. The agency completed both its life and non-can quotas for 1960.

Other agencies winning president's scroll honors were Worcester, Mass., headed by Robert H. Johnson; the New York City agency managed by Resident Vice-president Michael J. Denda; the home office agency, of which Fred T. Jordan is manager, and Pittsburgh managed by Robert L. Feldman.



house of original ideas

The pride a Bankerslifeman feels in the company he represents stems in very large measure from the reputation his company has earned over the years for the introduction of really original ideas in the life insurance business. He is proud to say he was the first to carry the now popular *Guaranteed Purchase Option*, the *Cradle Protection* plan and the *Wife Protection Rider* in his brief case. Carefully chosen and thoroughly trained, the typical Bankerslifeman has service as his watchword. This means that his professional presentation of the new ideas from his company will see to it that his clientele gets optimum benefits from "The Company That Fits The Need."

BANKERS Life COMPANY
DES MOINES, IOWA

2,500 A
Tri-City
The ann
again drew
over 2,500.
Giving h
S. Hodges
explained
He said he
mental pic
of the th
Sometimes
such as a
casket and

Use of
Iowa, Minn
who had
being resp
business.
It is eas
used, is ea
mind being
help a m
agents inf
has been
thank the
Discussin
southwest,
dent and e
Bank of C
an agent v
potential n
the busines
ates.

He predi
in 1965 an
tration of p
the Dallas-
de section
Amarillo. I
will be a g
sized manu

H

March 25, 1961

LIFE INSURANCE EDITION

13

2,500 Agents At Texas Tri-City Sales Congress

The annual Tri-City Sales Congress at San Antonio, Houston and Dallas again drew a combined attendance of over 2,500.

Giving his popular testimonial, Bart S. Hodges, New York Life, Austin, explained how he baits his "app-trap." He said he makes his sales by creating mental pictures in the prospect's mind of the things the prospect desires. Sometimes the picture he draws is something the prospect does not desire, such as a funeral home with beautiful casket and soft pillow.

Use of centers of influence was described by N. T. Koch Jr., Bankers of Iowa, Minneapolis. He cited one center who had given him three names as being responsible for \$2.6 million of business.

It is easier to sell when a center is used, he said, and these centers do not mind being used because they like to help a man succeed. He suggested agents inform their centers on what has been done with the leads and thank them for their help.

Discussing business trends in the southwest, James A. Byrd, vice-president and economic adviser of National Bank of Commerce, Houston, said that an agent who hopes to reach his full potential must acquaint himself with the business climate in which he operates.

He predicted a business ground swell in 1965 and viewed a heavy concentration of population on the Gulf coast, the Dallas-Fort Worth area and a middle section comprising Lubbock and Amarillo. In these three areas there will be a growth in small and medium-sized manufacturing plants with a con-

comitant increase in payrolls and markets for life insurance.

To compete for the worker's dollar, life agents must increase their knowledge of life insurance as part of investment plans. He cited the importance of market research to obtain knowledge of markets, where they are, when they will be important and why they offer opportunities.

John D. Saint Jr., Southwest Indemnity & Life, Dallas, reminded his listeners that loss of income caused by death, disability or old age has but one result—economic tragedy for the family. He went on to describe coverages which could prevent this tragedy.

A goal must be decided upon for achievement, according to Walter F. Szwed, Acacia Mutual, Detroit, who said his goal was a minimum of \$20,000 a week. To attain this, he must make two closes a day, he said.

In arranging his interviews, he said he makes the prospect believe he is a busy man, and he, not the prospect, sets the day and hour. He warned against calling too often. Too many calls cheapen the agent and cost him prestige.

Mr. Szwed said that after he makes his presentation, he asks the prospect if there is anything about it that is not clear. Many sales are lost because the prospect does not understand the plan and is afraid to ask questions.

A 5% stock dividend and 10 cent cash dividend is being paid stockholders of Lincoln Income Life of Louisville. The quarterly cash dividend was payable Feb. 24 to stock of record Feb. 17, and the stock dividend was ratified by stockholders at the annual meeting March 15 to be paid to stock of record March 6.

Sees Continued Stock Improvement In 1960

Fire-casualty and life stocks will continue to outperform the general market this year, Shelby C. Davis, New York insurance stock specialist, declared in a talk at the insurance forum of New York Society of Security Analysts. He cited the following reasons for his prediction:

Both groups of stocks are emerging on the up side from five to six years of trading. New highs are being daily registered. The fundamental technical position is strong, and these stocks are discounting improved underwriting conditions.

Stocks Modestly Priced

Fire-casualty and life stocks are modestly priced in relation to the general market. Aetna Fire, Reliance, Maryland Casualty and Standard Accident can be purchased at 10 to 11 times last year's adjusted earnings, while Lincoln National, Travelers and Aetna Life can be bought at 13 to 14 times earnings. These figures are cheap contrasted with 18 times earnings at which Dow Jones industrials are selling.

Earnings of both groups are increasing. Rate increases in automobile have been granted in Massachusetts and New York, and one is being requested in Texas. Improvement in assigned risk plans, particularly in Illinois, should help stem losses. Improved interest rates are helping life earnings because of the enormous leverage. Last year interest earnings went up 16 basis percentage points to 4.12% (before taxes).

Fundamental changes in auto in-

surance—such as merit rating plans and streamlined marketing—promise to alleviate what has been an intolerable situation since the war and has cost the companies more than \$1 billion. If auto losses can be stopped and a modest profit shown, underwriting will become more stable and less cyclical. Insurance shares will then increase in investor esteem, and higher price times earnings multiples will be paid.

In life, the 1960 statements show that companies can live with the new federal tax, onerous though it is. Fears of the tax have inhibited buying of life stocks, but now the companies should show normal increases in earning power averaging around 15% a year.

Higher dividends are in the offing for both fire-casualty and life stocks. The underwriting depression kept fire-casualty managements from increasing dividends as fast as investment income rose. A period of profitable underwriting will cause substantial dividend boosts. Because dividends are the ultimate pay-off for the investor, general increases are certain to excite investor interest.

BMA Participating In K.C. Chamber Of Commerce National Ad Campaign

Business Men's Assurance is participating in a national advertising campaign sponsored by the Kansas City chamber of commerce.

A full page advertisement in the Wall Street Journal was its contribution to the program. The ad featured 10 photographs pointing up information about Kansas City as a commercial, cultural and transportation center.



In February, we credit R & R's Tax and Business Insurance Course with materially helping us get three \$100,000 and one \$150,000 life applications. The \$150,000 was on a 63 year old man. This is a good return for time and effort spent on the course.

*Carl Songer, Indianapolis General Agent
for the Washington National Life*

IF YOU WANT RESULTS LIKE THIS—THEN YOU CAN FIND OUT ALL ABOUT THE COURSE

BY WRITING TO

THE RESEARCH & REVIEW SERVICE OF AMERICA, INC.

123 West North Street

Hilbert Rust, C.L.U., President

Indianapolis, Indiana

Company Statements Reflect Good Gains

BANKERS SECURITY

A net gain of \$237,470 after taxes was recorded by Bankers Security of New York in 1960, compared with a net gain of \$215,594 in 1959. Assets climbed 13% to \$6,879,661. The yield on investment interest was 3.02%, compared with 2.27%. Insurance in force dipped from \$415 million in 1959 to \$410 million. The decline was attributed to the discontinuing of

writing life policies for and reinsuring them with insurance subsidiaries of lending institutions. The loss resulting from dropping what the company considered to be unprofitable reinsurance business was largely offset by sales of \$55.7 million in new credit insurance from other sources.

CENTRAL STANDARD LIFE

Central Standard Life reports assets rose to \$111,042,964 during 1960. This

represents an increase of \$1,703,358. During the year surplus to policyholders increased \$2,014,032 to a year end total of \$17,125,859. Insurance in force now stands at more than \$350 million.

GREAT SOUTHERN LIFE

Great Southern Life reports life sales for 1960 were more than \$125 million and life in force reached a record \$1,076,086,000. Total premium income was \$24,910,000, with A&S premiums showing the greatest percentage of increase, rising to \$969,000. During 1960 the company invested

more than \$31 million. These investments included \$22 million in new mortgage loans, \$3 million in new corporate and municipal bonds and more than \$6 million in new issues of government bonds. Benefits paid were \$660,000 on A&S policies, \$6.93 million to beneficiaries and \$6.95 to living policyholders.

GREAT SOUTHWEST LIFE

Great Southwest Life reports life premiums written during 1960 were up 14.08%. A&S premiums were up 11.62%. Total premiums were up 13.17%. Life in force at year end was up 14.42%. Total admitted assets were up 17.21% and surplus up 13.52%.

FARMERS NEW WORLD

Premium income of Farmers New World of Mercer Island, Wash., amounted to \$6,571,593, a gain of \$709,000 and assets rose \$3,611,000 to \$47,064,670. Insurance in force, which recently reached \$400 million, was \$398,155,700 on Dec. 31, a gain of \$80 million. New business totaled \$100,859,585.

KENTUCKY CENTRAL L&A.

Kentucky Central L&A. reports life insurance in force rose 16.6% during 1960—from \$163,766,749 to \$190,922,701. Total income rose to \$11,262,601—an increase of 13.4%. Assets now are \$26,808,593—up 7.9%. Surplus, up 4.7% is now \$3,969,222. Policyholders and beneficiaries were paid \$3,475,026 during 1960—17.4% over the previous year.

KNIGHTS OF COLUMBUS

Assets of Knights of Columbus at year-end 1960 reached \$170,604,866, a gain of 9.72%. Premium income amounted to \$25,163,263 and net investment income was \$6,222,979, for a total cash income of \$31,386,243. Surplus increased \$3,102,544 to a total of \$22,495,289. Benefits amounted to \$7,113,974, a 10% increase. Net interest earnings were 3.95%, up 13 basis points.

At the end of the year total insurance in force was \$1,047,805,935, a gain of \$134,629,911.

LIBERTY LIFE OF GREENVILLE

The assets of Liberty Life of Greenville at the close of 1960 reached \$129,878,000, a gain of 10%. Net gain from operations after all taxes amounted to \$2,301,000, a record. Some \$1,472,000 was added to capital and surplus funds, bringing the total to \$16,709,000. Benefit payments and funds set aside for future benefits reached \$18,852,387, an increase of \$2,688,000, of which \$5,427,000 was paid to living policyholders, \$5,118,000 to beneficiaries and \$8,308,000 set aside for future benefits.

Total insurance in force at year end was \$1,292,341,000, an increase of 12%. Life sales, including group, amounted to \$238,635,000.

LIFE OF GEORGIA

Life of Georgia's assets in 1960 increased 8.84% and reached \$204,785,291 at year end. Net gain from operations amounted to \$4,008,000. Investment income rose 14% to \$8,649,000 at a net rate of interest, before federal taxes, of 4.04%, up 20 basis points. Premium income was up 4% to \$59,266,000, and surplus funds gained \$3,186,129 and totaled \$9,692,236 at the close of the year.

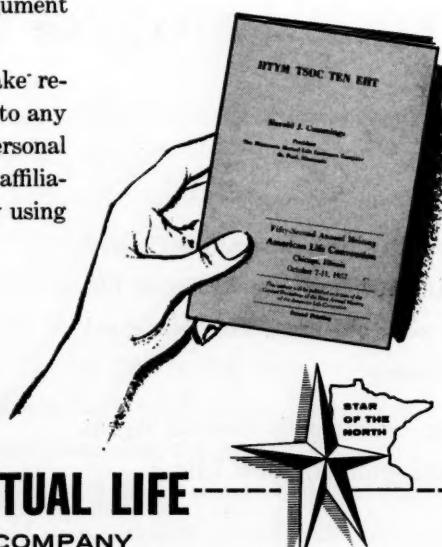
Ordinary paid for during the year totaled \$161,978,000, a drop of 12% and life in force increased 3.66% to \$1,784,267,764. Health insurance sales increased 60%, and A&S annual premiums of \$14,537,236 represented a 22.25% increase. Weekly premium sal-

(CONTINUED ON PAGE 23)

NOW AVAILABLE FOR YOUR USE...

HTYM TSOC TEN EHT

(THE NET COST
MYTH)



THE MINNESOTA MUTUAL LIFE

INSURANCE COMPANY

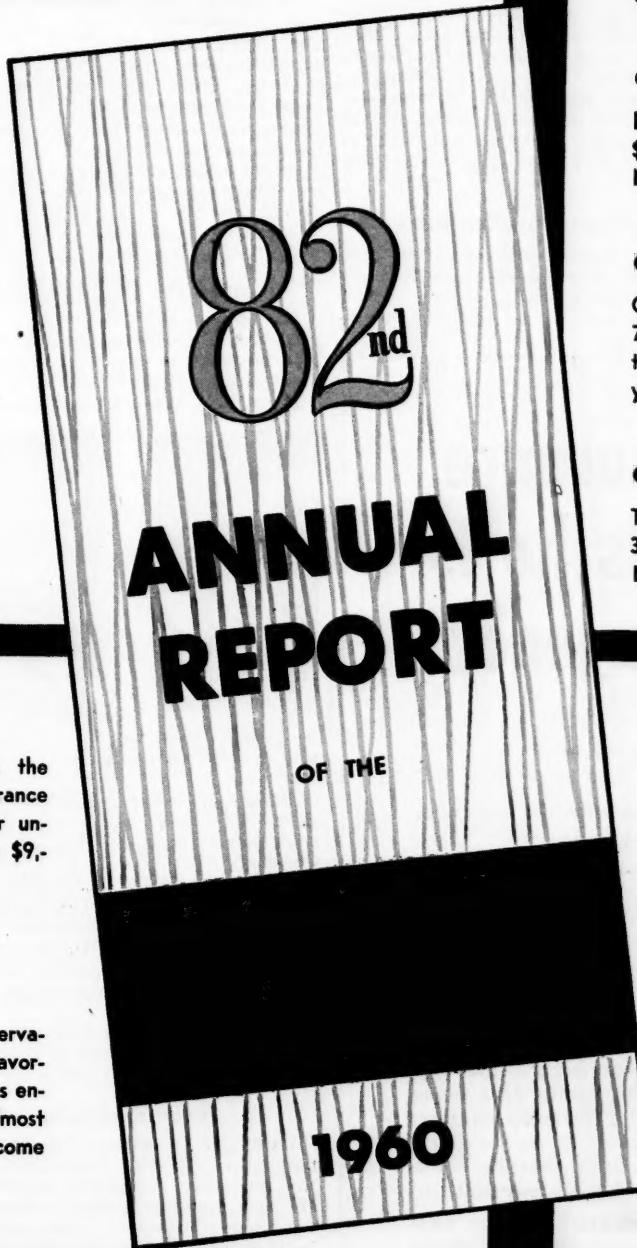
Victory Square—St. Paul 1, Minnesota

Please send me a copy of "HTYM TSOC TEN EHT (The Net Cost Myth)." I am enclosing 20¢ to cover cost of printing and mailing.

NAME _____ ADDRESS _____

CITY _____ STATE _____

HIGHLIGHTS of 1960



● SURPLUS FUNDS

An important part in the stability of any life insurance company is surplus. Our unassigned surplus is now \$9,560,234.

● RESERVE FOR DIVIDENDS

A low mortality rate, conservative management and a favorable return on investments enables us to set aside almost 14% of our total 1960 income for 1961 dividends.

● INCREASED BUSINESS

We issued \$18,916,515 more life insurance than the previous year, an increase of 23.1%. Evidence of the confidence people have in our product and our company.

● INSURANCE IN FORCE

Lutherans now own more than \$620,000,000 of Lutheran Mutual life insurance.

● ASSETS

Our assets now total \$118,723,745, an increase of more than \$10,000,000 in the past year.

● INCOME

Total for 1960 was \$21,101,354, up from \$18,722,180 in 1959.

Lutheran Mutual

LIFE INSURANCE COMPANY

Home Office • Waverly, Iowa

An Old Line Company
-- it does make
a difference!

Home Office Changes

Praetorian Mutual



Joe Agee

Joe Agee, a director, has been elected chairman. He is a retired senior vice-president of First National Bank of Dallas. Oscar Wren, Houston investments man, has been elected to the board.

President J. M. Mottley has been given the additional posts of treasurer and chief executive officer, and John N. Harris Jr., general counsel, has been advanced to vice-president and counsel.

Guarantee Mutual

Earl E. Saunders and W. H. Meissinger have been appointed regional superintendents of agencies. Mr. Saun-

ders, who has been assistant superintendent of agencies, has had experience with Provident Life of Bismarck, N.D. Mr. Meissinger has been a field supervisor.

Equitable Society

DeSaussure D. Edmunds, vice-president, has been placed in charge of the newly formed marketing division of the agency department. He joined Equitable as a cashier at Cincinnati in 1925, later becoming an agent at Charleston, N.C., district manager at Winston-Salem, and manager at Birmingham, Ala. In 1954, he was promoted to field vice-president with headquarters at St. Louis and three years later was transferred to the home office.

Lutheran Brotherhood

Cyrus Rache, attorney, has been appointed chairman of a new committee to handle death claims. Other members are M. E. Andersen, assis-

tant vice-president of underwriting, Tex. and New Orleans, and was transferred to the home office as executive assistant in field management.

Travelers

Harold F. LaCroix Jr., secretary in the group department, has been appointed 2nd vice-president of the department. He joined the company in 1946, later becoming assistant and then associate actuary.

Arthur W. Bradley, supervisor in the home office administration department, and John R. Price, office manager at Denver, have been appointed assistant secretaries in the department. Mr. Bradley has been special assistant at Detroit, assistant office manager at Syracuse, and office manager at Charleston and Springfield. Mr. Price has been special assistant at Oklahoma City and assistant office manager at Washington.



H. F. LaCroix Jr.

Liberty Life Of Greenville

B. Calhoun Hipp, investment vice-president, has been elected senior vice-president in charge of the investment division.

Herman N. Hipp, agency vice-presi-



Herman N. Hipp



B. Calhoun Hipp

dent, has been named senior vice-president in charge of agency operations.

Harris P. Gravely, controller, has been appointed vice-president and controller in charge of the accounting division.

Robert R. Scales Jr., counsel, has been appointed legal vice-president in charge of the legal department.

W. M. Batson, Dan D. Barber and John N. Parker were named assistant secretaries in the underwriting division.

J. Kelly Sisk has been elected a director. He is president of the News-Piedmont Company, Greenville, S.C.

New York Life

Larry D. Gilbertson has been appointed an assistant vice-president in the insurance relations department. He was formerly general counsel of the Small Business Administration, independent agency of the federal government which advises and assists small business concerns in obtaining financing and government contracts.

Great-West Life

W. D. Stewart, supervisor of A&S underwriting and claims, has been appointed health insurance assistant to A. K. Archer, health insurance secretary.

Metropolitan Life

Rexford W. McCurdy, former assistant vice-president, has been appointed assistant superintendent of agencies for the central territory. He joined the company at Birmingham, Ala., was district manager at Austin,

Tex. and New Orleans, and was transferred to the home office as executive assistant in field management.

Prudential

Herbert A. Willoughby, a division manager at Cedar Rapids, has been assigned to the Minneapolis regional home office as training consultant.

Massachusetts Mutual Life

Peter I. Roesler, assistant director of group sales, has been promoted to associate director of group sales. He has been manager of the term and casualty sales division of group.

NORTH CENTRAL LIFE has advanced Leonard T. Heinrich from controller to vice-president and secretary; Herbert D. Allers, actuary, to vice-president; John W. Wagner, claims and selection manager, to assistant vice-president; and Richard J. O'Brien, attorney, to assistant secretary. Mr. O'Brien has previous experience with Prudential.

MINISTERS L.&C. UNION, Minneapolis, has promoted James R. Birmingham, assistant manager, to manager of the claim department; Paul K. Fillmore, IBM and methods manager, to procedures coordinator; and Gerald L. Jacobson, assistant manager, to manager of the tabulating department.

GENERAL FIDELITY LIFE of Richmond has appointed John R. Sutherland vice-president in charge of home office operations. He has been vice-president of Universal American Life of Atlanta, and is a past chairman of Georgia Home Office Underwriters Assn.

FIRST UNITED of Gary, Ind., has appointed John Vlahakis superintendent of agencies. He has been with American Travelers in a similar capacity.

OHIO LIFE has appointed Dr. Paul N. Ivins medical director. He has been in private practice.

AMERICAN LIFE of Phoenix has appointed Charles Nafziger director of sales.

DETROIT MUTUAL has appointed Donald M. Blue associate counsel.

Blue Shield's 23.5% Rate Boost Disapproved By N.J.: Would OK 15.7% Increase

Commissioner Howell of New Jersey has turned down a request from Medical-Surgical Plan of New Jersey (Blue Shield) for an increase in rates averaging 23.5%. The commissioner said he would reluctantly agree to approve a reapplication for a boost averaging 15.7%. This would represent an increase of less than 10% over the rates in effect prior to Oct. 1, 1958, when a 5% rate reduction was made at the request of the commissioner.

Mass. Mutual Shopping Center In Eatontown, N.J., Is One Year Old

The Monmouth shopping center in Eatontown, N.J., which is owned by Massachusetts Mutual, has completed its first year of operation. The 65-acre center was opened for business in March, 1960, with 12 stores, and now has 34 stores in operation, including Bamberger's and Montgomery Ward. Several more stores are scheduled to open later this spring, including a U.S. post office.

Stockholders of College Life of Indianapolis will receive a 6% stock dividend in addition to a 25 cent cash dividend March 31. Payment is to stock of record March 15.

WRITE:

**LYNN TENNEY, Vice President & Manager
of Agencies, California-Western States
Life Insurance Company, P. O. Box 959,
Sacramento, California**

Mike
manag
Tex., fo
has bee
general
of Nort
Nati
helped
and is
member
Life Ur
Assn.,
presiden
Chamber
merce a
time ac

Edwin
Phoenix,
of agenc
He was
Youngsto
joining t
City. He
Underwr

Genera
las H. Pa
man M.
Cal, and

Douglas H.
port, La.
father, the
he has as
Bluebond
Gerald O
in persona
New sup
at the Zeig
William J.
Fort Worth

Frank I
regional g
and South

Je
New ge
Wehmeyer

Appointe
Kries at N
thal at Lou

Frank I
regional g
and South

Changes In The Field

Northwestern National

Mike Barron, manager at Bryan, Tex., for 15 years, has been appointed general agent there of Northwestern National. He helped organize and is a charter member of Bryan Life Underwriters Assn., is a past president of Bryan Chamber of Commerce and at one time acted as mayor pro tem.



Mike Barron

New York Life

Edwin D. McGwire, manager at Phoenix, has been appointed inspector of agencies, with headquarters there. He was manager at Los Angeles, Youngstown, O., and Newark, after joining the company at New York City. He is president of Arizona Life Underwriters Assn.

Lincoln National

General agents appointed are Douglas H. Paddock at Kansas City, Norman M. Bluebond at Beverly Hills, Cal., and Byrum W. Teekell at Shreveport, La.



Douglas H. Paddock



Norman M. Bluebond

G. Reiter at Waveland, Ind., and William R. Dachille at Timonium, Md. Mr. Dachille was a general agent of Monarch Life.

Bankers Life Of Ia.

John Cleary has been named group representative at Minneapolis of Bankers Life of Iowa. He will be associated with M. B. Moore, group field manager, and Richard Rostvold, group representative.

General American



Ernest B. LeGrande

Earnest B. LeGrande, formerly a director of agencies, has been named general agent at Jefferson City, Mo. He had supervised the outstate Missouri agencies since joining the company in 1957.

Continental Assurance

Edwin L. Mays Jr. has been appointed manager at San Diego. He has been with American United as supervisor at Kansas City.

Berkshire Life

Jerome Bronfeld has been appointed supervisor of the Rifkin agency, general agent at New York, where he was formerly with New England Life.

Travelers



H. Marshall Sickel

H. Marshall Sickel, manager at Columbus, O., has been appointed assistant superintendent of training. He joined the company at Philadelphia as a field assistant, later becoming assistant manager there.

Sun Life Of Baltimore

William Karandos, field manager at Indianapolis, has been promoted to chief field manager at Columbus, O.

Lutheran Brotherhood

Monroe A. Lee, district agent at Salem, Ore., has been named to lead a new agency at Spokane, serving eastern Washington, Idaho, and western Montana.

Other general agent appointments are O. B. Haroldson, assistant superintendent of agencies, at Denver; Roald

Indianapolis Life

Appointed general agents are David Kries at Nashville and Stanley Rosenblatt at Louisville.

California Life

Frank Frison has been appointed regional group manager for Minnesota and South Dakota.

Jefferson National

New general agents are Fred A. Wehmeyer at Salisbury, Md., Jimmie

COULD IT BE TRUE?

A Connecticut Life Insurance Company offering up to 103% first year commission—it sure is! We also pay another 45% in renewals over the next six years. If you want more information on how to step up to your own Agency, contact—David G. Hunting, C.L.U., Agency Vice-President.

SECURITY-CONNECTICUT LIFE INSURANCE COMPANY
174 Whitney Avenue • New Haven 5, Conn.



A 1960
record that
means a lot
to you

CAC's Individual Health Volume in 1960 ran Nearly Double Our 1959 Total (And 1961 is running more than 100% ahead of 1960).

There's a good reason why...

Continental Assurance offers a superior line of policies such as . . . Non-Cancellable Income Protection, Guaranteed Renewable Hospital Protection, Guaranteed Renewable Major Medical Protection.

Find out for yourself...

. . . how good . . . how salable . . . these contracts are. Write for sample Red Line Contracts for your personal analysis.



CONTINENTAL ASSURANCE CO.

Member of Continental-National Group
310 South Michigan Avenue, Chicago



M. Severtson, Seattle, supervisor, at Seattle; Gordon S. Summers, general agent at St. Joseph, Mich., at St. Louis; and Richard C. Wheeler, Milwaukee supervisor, succeeding Mr. Summers at St. Joseph.

Occidental Of California

Kenneth W. Watts has been appointed to head a new general agency at Medicine Hat, Alta. He has been with Metropolitan Life and Prudential of England.

Maurice E. Mitchell, former general agent at Colorado Springs, is in charge

of a new general agency and brokerage office at San Francisco. He entered the business with Lincoln National.

New England Life

Edwin Nadel, supervisor at the Schmidt agency in New York, has been promoted to assistant general agent there.

United States Life

Furman B. Phelps has joined the Dasicl agency at New York as vice-president, group division. He has been home office group supervisor for Post-

al Life, and before that was group service representative of Travelers.

American Life Of New York

James J. Morrissey has been appointed life superintendent at East Orange, N.J. He has been general agent of Bankers National Life at Orange.

Connecticut General Life

Charles S. Rothman has been appointed assistant manager of the Cleveland brokerage agency, where he has been a senior brokerage consultant.

D. Robert Floyd, group representa-

tive at Dallas, has been appointed assistant group manager there.

C. Robert Barton, senior brokerage consultant at Kansas City, has been appointed assistant manager there.

Modern Woodmen

C. Harris Pottier has been named agency manager of 12 counties in the San Francisco bay area. He has been in life insurance for 13 years. He was a manager for Sun Life of Canada and regional manager in California for Western Travelers before joining Modern Woodmen.



C. H. Pottier



K. E. Anderson
Sterling, Colorado



E. L. Arthur
Tampa, Florida



Allen J. Becker
Houston, Texas



Charles E. Buchanan
Arlington, Virginia



Carmy A. Burg
Butler, Missouri



E. Eugene Campbell
Julesburg, Colorado



Kenneth M. Colston
Kansas City, Missouri



Ben Epstein
Houston, Texas



Eugene G. Hansen
Corvallis, Oregon



Jack C. Hosterman
Cleveland, Ohio



Jarald A. Jamison
Arvada, Colorado



L. M. Jenkins
Riverton, Wyoming



Ray Lowry
Springfield, Missouri



Louis Matusoff
Dayton, Ohio



J. C. Moore
Jackson, Mississippi



L. M. Sproul
Salt Lake City, Utah



Edward H. Stephens
Oakland, California



*Dix Teachenor, Sr.
Kansas City, Missouri

* Deceased

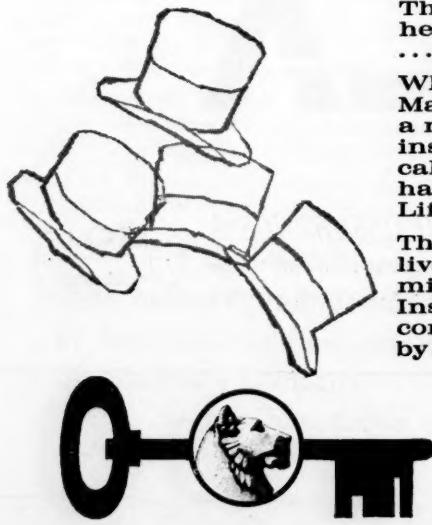


Everett V. Thurman
Kansas City, Missouri



John A. Utz
Valencia, Pennsylvania

MORE KEYMEN! KANSAS CITY LIFE "TOP HATTERS"



The twenty men whose pictures are shown here belong to an exclusive group of Keymen...the 1960 Top Hatters of Kansas City Life.

What does it take to become a Top Hatter? Many things—among them is the delivery of a minimum of one million dollars worth of insurance for Kansas City Life within the calendar year. This, plus the fact that they have qualified as members of Kansas City Life's President's Club.

These twenty men, then, obviously have delivered an aggregate of more than twenty million dollars worth of Kansas City Life Insurance, and they have amply earned the congratulations we at Kansas City Life hereby accord them.

KANSAS CITY LIFE
INSURANCE COMPANY

Home Office / Broadway at Armour / Kansas City, Missouri
Represented in 41 States and the District of Columbia

In ef

the fed

Cross a

mitted

Smith

tracts v

for the

said th

volunta

insura

ways a

rating o

ticipate

would b

the serv

less than

with le

come. A

single p

or more

families

would p

Certifi

mine th

issued e

enue Se

findings

turns. T

the plan

curity s

both hou

the backin

said at t

ment has

complaint

are design

commission

would co

agent, ea

does not f

ly, even

formed hi

dition. Af

the insur

then can

insured ha

R. L. J

Life, oppo

resentative

saying th

imply th

pay claims

the fraud.

members

age is ava

and sugges

to the prob

Combining Blue Plans With Federal Aid For Aged Proposed In Pa.

HARRISBURG—Pennsylvania Blue Cross and Blue Shield plans have submitted a program to Commissioner Smith for the integration of their contracts with a federal health aid system for the aged. Commissioner Smith, who said the program would retain the voluntary method of providing health insurance for the aged, has submitted the proposal to members of the House ways and means committee for their consideration.

In effect, under the proposed plan, the federal government would subsidize low cost or free health insurance for those over age 65, who are presently subscribers in the Blue plans. Said the Blues in their proposal, "Competitive factors make it impossible for us to extend support to the cost of care of older persons who are not subscribers."

The proposal calls for the economic rating of those people wanting to participate and eligible to do so. Premiums would be based on ability to pay, with the service free for individuals making less than \$1,000 a year and for families with less than \$2,000 of annual income. At the other end of the scale, single people with incomes of \$3,000 or more would pay \$6 a month and families with income of \$6,000 or more would pay \$12 a month.

Certificates of eligibility to determine the economic ratings would be issued each year by the Internal Revenue Service, which would base its findings on prior-year income tax returns. The proposal suggests financing the plan either through the social security system or general taxation or both.

Commissioner Smith said the House ways and means committee may hold hearings on the proposal.

N.C. Would Limit Voiding A&S Policies Because Of Application Misstatements

RALEIGH—Proposed legislation that would set a time limit of two years on cancellation of health insurance policies because of misstatements in the original applications was the subject of hearings held here by the house insurance committee of the state legislature. After two years, the bills provide, cancellation because of misstatement would be forbidden.

The legislation was introduced into both houses of the legislature and has the backing of Commissioner Gold, who said at the hearing that his department has been receiving about 8,000 complaints a year on abuses the bills are designed to halt. One situation the commissioner said he hoped the bills would combat is the one wherein an agent, eager to sell a health policy, does not fill in the application correctly, even though an applicant has informed him of an existing medical condition. After the policy is issued and the insured becomes ill, the company then cancels on the grounds that the insured had misrepresented his medical history.

R. L. Jones, group actuary of Pilot Life, opposed the legislation as a representative of Health Insurance Assn., saying that passage of the bills would imply that insurance companies should pay claims no matter how outrageous the fraud. He reminded the committee members that non-cancellable coverage is available at a higher premium and suggested that a better approach to the problem would be to revoke the

licenses of agents who commit abuses.

Robert S. Arrington, manager of A&S administration of Pilot Life, said it is often the case that a company does not realize something is wrong with an insured until the third or fourth claim.

"Under this bill," he said, "we would have no recourse on a flagrant abuse."

Marks 25th Birthday

American Hospital & Life of San Antonio marked its 25th anniversary with a luncheon for some 300 stockholders, public officials and business executives.

S. E. McCreless is president and founder. Guest speaker at the luncheon was Archibald H. McAulay, president North American Reassurance.

Chicago Life Assn. Unit Meets

North Suburban branch of Chicago Assn. of Life Underwriters held a breakfast meeting this week at the Apple Basket of the Crabapple restaurant, Skokie, Ill. John O. Todd, Northwestern Mutual Life, Evanston, Ill., spoke on life insurance possibilities for substantial buyers.

Williams Promoted To V.P. General Manager Of Health Institute

James R. Williams, who has been vice-president of Health Insurance Institute for the past five years, was promoted to vice-president and general manager of HII at a recent meeting of the directors of Institute of Life Insurance. The directors acted on the recommendation of the public relations committee of Health Insurance Assn. of America. The public relations committee is the policy making unit of HII.

Mr. Williams entered the health insurance business with Mutual of Omaha in 1945, later joining Health & Accident Underwriters Conference as an editor and public relations man. After that he was appointed assistant director and then director of public re-

lations for the conference. When Health Insurance Assn. was formed in 1956, he was assigned the job of organizing Health Insurance Institute and was named its vice-president.

General Reinsurance Forms Life Subsidiary

General Reinsurance, a casualty insurance company, has formed a life reinsurance subsidiary with capitalization of \$5 million, according to James A. Cathcart Jr., chairman, in a report to stockholders.

Mr. Cathcart said the company would write reinsurance only on life and health insurance business and would not compete with its clients in the life business.

"We expect to put together an organization of high quality which will build slowly and soundly in this new field and no profits of consequence can be expected for some time," Mr. Cathcart frankly told stockholders.

Mutual Trust Life has moved to larger quarters on the sixth floor of the Herman Miller Building in Dayton, O.



James R. Williams

WE ARE LOOKING . . .

. . . for a STATE AGENT . . . in ALABAMA AND TENNESSEE. Recently licensed in these States . . . we are looking for a top-level, ambitious, qualified Life Insurance man, in each area, to act as STATE AGENT.

The man we have in mind for the job we want done should have a good past record as a personal producer, experience as a General Agent or Manager and a favorable business and personal background.

We have an exceptionally salable line of Policy contracts, agency minded management and an established reputation for faithful and efficient service.

THIS IS A REAL OPPORTUNITY for a man with ambition, for a man of vision who looks to the far horizons of permanent financial and business security and success. If YOU are this man, we would like to talk with you.

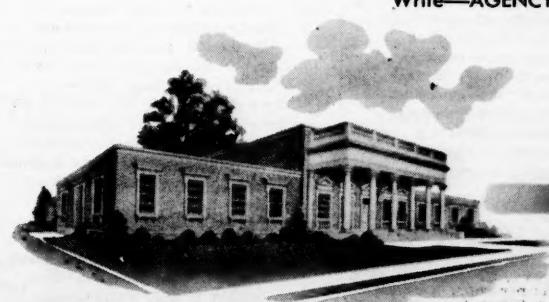
Compensation: commensurate with ability—open.

- Salary
- Commissions
- Overwriting
- Travel Expense
- Equipped Office

(some good territory still available: Florida, Georgia, and South Carolina)

All Forms of Legal Reserve Life Insurance and Investment Contracts

Write—AGENCY VICE-PRESIDENT



FOUNDED IN 1936

STATE MUTUAL
INSURANCE COMPANY

HOME OFFICE

Rome, Georgia

Editorial Comment

How To Make Reading Research

The Wall Street Journal recently discussed the growing activity of some corporations in assigning research men to study scientific and technical papers, of which there are a great many published here and abroad, for new methods and procedures. This is suggestive for the insurance business—company management and agency operation.

One of the basic problems of communication, the foundation of all learning, is not that the matter doesn't get spoken, written, and published, but that it doesn't get listened to or read, even by those who can use it to make decisions. There is such a vast amount of material, even in a single field such as insurance, that the agent or company executive who has to do a lot of work doesn't always have the time to read, let alone study and follow up, items of information that may be quite useful and even essential to the welfare of his economic enterprise.

One method that helps is to scan-read to find those items that are of genuine interest and significance to the reader and that warrant full reading and perhaps further inquiry. This

approach vastly increases the ground which the individual executive can cover. Another practice is for the business man to let others watching the same areas of subject matter know of his interest. The executive's eyes can be multiplied many times in this way. A third way is to have an assistant, perhaps several if there are that many, read publications and watch areas which the executive does not have time to get to. With a little thought, he can set down a description of his interests in such a way as to elicit from an intelligent person quite adequate "research" of this kind. He can readily supply a list of publications, or sources (court cases might be an example) where material of vital interest may turn up.

Many readers do some or all of these things; many do not. The ones who do tend to make the soundest decisions. If the cost or bother should appear a stumbling block, the ones who do this also tend to save the most money, in and out of the insurance business.—Kenneth O. Force, executive editor The National Underwriter Fire edition.

Should Agents Be Called Agents?

What is the proper terminology to describe the life insurance field man who contacts the public? This was one of the five discussion areas suggested by Chairman S. S. Huebner of the committee on life insurance terminology of the Commission on Insurance Terminology of American Assn. of University Teachers of Insurance. The other four points were discussed in last week's editorial.

Dr. Huebner told the committee members that in view of the great variety of terms in use, it would seem that the committee might want to make a rather thorough study of the implications of the multiplicity of terms and ultimately might want to recommend the use of one or more terms.

Whatever the committee decides, it seems hard to believe that the long established term "agent" will ever be

ousted from its present dominance—and why should it be? All the long-continued and diligent efforts on the part of people who wanted to substitute something else have proved futile. "Agent" is an honorable term, signifying that the holder has been vested with authority to act for another.

If there is anything the matter with "agent" it is because some agents have been high pressure or otherwise objectionable. Finding another term as a supposed cure for this situation is worse than useless. Why? Because when the occasional person who thinks of "agent" in terms of over-aggressive selling finds that the man who calls himself some flossier term is actually an agent, our prejudiced prospect will probably say to himself, "So this guy's not only an agent but he's trying to con me into thinking he isn't."

If I have to deal with an agent, I'd rather have one who honestly admits it."

"Agent" has persisted as the generic term, in spite of nearly a century of using "life underwriter" in association names and more recently in the CLU designation. Yet agents seldom apply the term "life underwriter" to themselves. In fact, when one of them does, the effect is almost as startling as to hear a newspaperman say, "I am a gentleman of the press."

At the same time, of the various alternatives to "agent" or "salesman," probably "life underwriter," because it has an insurance sound to it, is the least open to the objection that people will become resentful at finding it means nothing more nor less than "agent." Hence, we see no particular harm in continuing to use "underwriter" in names of associations and in CLU matters. Even if the public gets the mistaken idea that the agent actually "underwrites" in the precise sense of the word, it is hard to see how anybody will be hurt by it.

What is of the greatest importance is to try to endow "agent" with the respect it should have. Unless this is done, the devising and adoption of any other designation would merely result in its being tarred with the same stigma that some prejudiced individuals now attach to "agent."

It is the "image" behind the designation that needs improving, and the image can be improved only if the performance of agents generally justifies the more attractive image. It would be dangerous to project an image significantly more attractive than the agents themselves. If that should happen, the prospect might find a real agent to be a realistic, sales-minded, fairly aggressive individual doing a good job for his clientele, yet so at variance with an over-idealized image that the latter would be doing the real agents more harm than good.—R.B.M.

tov at the UN in 1955. In a thick brogue, the Irish-born Mr. Sullivan asked the Russian diplomat: "And may be so good as to tell me why it is that Russia will not permit the Irish Republic to enter the United Nations?" He argued that Ireland was not an imperialist nation, that it had suffered under imperialism and should have the support of Moscow, which claims to oppose imperialism.

Mr. Molotov told Mr. Sullivan to have Ireland submit its application again and he would see what could be done. Subsequently, Ireland did so and Russia dropped its objections.

MURRAY D. LINCOLN, president of Nationwide Life, has been appointed Secretary of Agriculture Orville L. Freeman's representative on the Federal Farm Credit Board, a policy-making group in charge of the Farm Credit Administration, the supervisory agency for the cooperative farm credit system. Mr. Lincoln is also president of Cooperative League of the U.S.A.

Deaths

GEORGE A. FOSTER, 81, founder and president of Guaranty Income Life of Baton Rouge, La., and **CLYDE O. GROVES**, 84, retired vice-president and agency director of the company, died at Alexandria within three hours of each other. Mr. Foster founded Guaranty Income in 1925 and served as its president until his death. The pair of executives had been neighbors, life-long friends and business associates for over 35 years.

NICHOLAS M. DE NEZZO, 69, retired assistant superintendent of agencies of Aetna Life died at Hartford. Mr. DeNezzo served for many years as the company's convention manager. He joined Aetna Life in 1907 and had completed 50 years of service when he retired in 1959.

GORDON F. WINN, 44, vice-president and manager of Farmers New World Life, died after a long illness. With Farmers insurance group since 1936, he held many management positions prior to his appointment with Farmers New World in 1954. He was also a director. Mr. Winn was a past president of Northwest Reinsurance Conference.

HENRY C. JACKSON Sr., director and retired agency vice president of Life of Georgia, died. He retired in 1954 after 49 years with the company as agent, special agent, staff manager, district manager, division manager, vice-president and superintendent of agencies, and agency vice-president. He was elected a director in 1945 and continued to serve in that capacity after retirement.

Zone 2 To Meet At Wilmington April 25

The Zone 2 meeting of National Assn. of Insurance Commissioners will be held April 25-27 at Wilmington. Harry S. Smith of Delaware is hot commissioner. Commissioner Charles F. Gold of North Carolina is Zone 1 chairman.

Registration will open Tuesday afternoon. A buffet dinner will be held that evening. A business meeting is scheduled for Wednesday morning followed by a luncheon at the duPont Country Club. The afternoon is open for golf or sightseeing. The banquet will be held Wednesday evening. An other business session is scheduled for Thursday morning.

THE NATIONAL UNDERWRITER

The National Weekly Newspaper
of Life and A&S Insurance



Published by
The National Underwriter Co.

EDITORIAL OFFICE

17 John St., New York 38, N. Y.
Tel. BECKMAN 3-3958 TWX NY 1-3080
Robert B. Mitchell, Executive Editor
William Macfarlane and Jud Higgins,
Assistant Editors

CHICAGO EDITORIAL OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Tel. WABASH 2-2704 TWX CG 654

John C. Burridge, Associate Editor
Richard G. Ebel, William Faltysek and
R. R. Cusacden, Assistant Editors

Marjorie Freed and
Barbara Swisher, Editorial Assistants

OFFICERS

John Z. Herschede, President
Louis H. Martin, Vice-President
Kenneth O. Force, Vice-President
H. P. Gravengaard, Vice-President
Robert B. Mitchell, Vice-President
George C. Roeding, Vice-President
James C. O'Connor, Secretary
Joseph T. Maloney, Treasurer

ADVERTISING OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Tel. WABASH 2-2704 TWX CG 654
Raymond J. O'Brien, Advertising Manager

BUSINESS OFFICE

420 E. Fourth St., Cincinnati 2, Ohio
Charles P. Woods, Sales Director

REGIONAL SALES MANAGERS

Fred Baker, Atlanta
Paul Blesi, Cleveland
Alfred E. Cadis, Dallas
David Chapman, Des Moines
William J. Gessing, Detroit
Clarence W. Hammel, New York
Roy H. Lang, Boston
James E. McSurely Jr., New York
Howard J. Meyer, Minneapolis
William D. O'Connell, Chicago
Raymond W. Rieke Jr., Los Angeles
George C. Roeding, Cincinnati
A. J. Wheeler, Chicago
Ronald W. Taylor, Boston
Robert J. Wieghaus, Chicago
George E. Wohlgemuth, St. Louis
Willis H. Yocom, Denver
Robert I. Zoll, Philadelphia

SUBSCRIPTIONS: 420 E. Fourth St., Cincinnati 2. \$7.50 per year (3 years, \$20); Canada \$8.50 per year (3 years, \$23); Foreign \$9 per year (3 years, \$24.50). 30 cents per copy, back copies 50 cents. CHANGE OF ADDRESS: Enclose mailing wrapper and Post Office form 3579 with new address, and allow three weeks for completion of the change.

Idaho Li
Names

Ursel C.
Mutual Life
president of
has been e
Life Conven
E. Cecil, pr
of Boise, th
was formed
Fred M.
ringa Life
vice-preside
kins of Am
of Boise, t
treasurer.
Idaho Life
of legal re

Cost Of Doing Life Business Climbing Sharply Since '52

The cost of doing business has materially increased for life insurance companies in the years since 1952, especially for the smaller ones, according to an analysis presented to Society of Actuaries at its eastern spring meeting at the Hotel Commodore in New York.

In a study of the experience in recent years of 20 Canadian companies, continuing a series of studies begun in 1939, Arthur Pedoe, Toronto consulting actuary, showed that the rate of over-all expense, including taxes, experienced relatively little change between 1939 and 1948 and increased only slightly in 1952, but the rise since then has been considerable.

In the case of the larger companies, according to Mr. Pedoe, the expense ratio has increased about 13% since 1952 and in the case of the smaller companies 16%, on the basis of the more conservative of two formulas used for measurement. On a more liberal formula, the rise was 16% and 20%, respectively.

While the companies studied were Canadian, their experience was international. The larger companies had 27% of their business in the United States. In fact, the sharp rise in taxes in the United States was noted as an important factor in the over-all rise.

The study also showed that the average size of new policies sold has more than doubled since 1948, while the average annual premium per \$1,000 of new insurance has dropped 20% to 30% for basic policies and 30% to 40% for total business, including temporary coverages added to base policies.

Occidental Of Raleigh's 1960 Gains Not Affected By Castro Assets Seizure

Occidental of Raleigh suffered no financial loss as a result of the recent seizure of its assets and insurance in force by the government of Premier Fidel Castro in Cuba. In a report to stockholders by W. H. Trentman, president and chairman, it was revealed that the confiscation proceedings had little, if any, effect on company gains in 1960.

In other areas, Mr. Trentman reported the company showed gains in 1960 in assets, insurance in force, first-year premiums and reserves. The company expanded its operations into the state of Washington. Internal controls and new procedures were adopted and have materially reduced unit costs, he said.

Idaho Life Convention Names Narver President

Ursel C. Narver, president Grange Mutual Life of Nampa and Idaho vice-president of American Life Convention, has been elected president of Idaho Life Convention. He succeeds Robert E. Cecil, president Continental L&A. of Boise, the first president when ILA was formed early last year.

Fred M. Frazier, president of Syringa Life of Twin Falls, was named vice-president, and Grover J. Hawkins of American Home Mutual Life of Boise was reelected secretary-treasurer.

Idaho Life Convention is comprised of legal reserve life companies with

home offices in the state, the membership now totaling eight. Its purpose is to advance public confidence in life insurance and to represent the industry in matters pertaining to supervision, legislation and litigation.

NALU Area Meetings On Leadership In State Units In Full Swing

NALU has begun a series of 12 area conferences for officers of state life underwriter associations and it will continue into April.

Purpose of the conferences, according to R. L. McMillon, chairman of NALU's committee on associations, is to bring together key state leaders for an informal exchange of ideas on association leadership responsibilities and to help lay the groundwork for state leadership conferences to be held during the summer months.

Mr. McMillon, who is manager of Business Men's Assurance at Abilene, Tex., and NALU vice-president, will conduct four of the area conferences. NALU representatives will moderate the others.

Entire Schedule Given

The schedule of area conferences, past and future, is as follows:

Washington, D. C., March 3—Delaware, District of Columbia, Maryland, Virginia and West Virginia association officers and NALU represented by Lester O. Schriver, executive vice-president; Ann Bickerton, director of field services; Carlyle M. Dunaway, general counsel; Marvin A. Kobel, director of public relations; Hal Currier, director of membership promotion; and Lee P. Derkay, administrative assistant.

New York City, March 10—Officers of the New York, New Jersey and Pennsylvania associations, Mrs. Bickerton and Mr. Derkay.

Boston, March 11—Officers of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont associations, Mrs. Bickerton and Mr. Derkay.

Atlanta, March 17—Florida, Georgia, North Carolina and South Carolina association officers and Mr. Derkay.

Memphis, March 18—Alabama, Kentucky, Mississippi and Tennessee association officers and Mr. Derkay.

Minneapolis, March 24—Minnesota, North Dakota and Wisconsin officers and Sam P. Loyer, immediate past president of the Ohio association.

Indianapolis, March 24—Illinois, Indiana, Michigan and Ohio officers and Mrs. Bickerton.

Denver, March 25—Colorado, New Mexico, Utah and Wyoming officers and Mr. McMillon.

Spokane, March 27—Idaho, Montana, Oregon and Washington officers and Mr. McMillon.

Omaha, March 31—Iowa, Kansas, Missouri and Nebraska officers and Mrs. Bickerton.

Dallas, April 1—Arkansas, Louisiana, Oklahoma and Texas officers and Mr. McMillon.

Los Angeles, April 4—Arizona, California and Nevada officers and Mr. McMillon.

Olberg Wins Pacific Mutual Trophy
The Olberg agency of San Francisco won the 1960 president's trophy of Pacific Mutual for outstanding agency building. Manager Roy H. Olberg accepted the trophy for his staff at a banquet at San Francisco. The home office was represented by Joseph F. Tudor, agency vice-president, and Charles E. Vance, superintendent of agencies.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, March 21, 1961

	Bid	Asked
Aetna Life	\$ 107	\$ 110
American General	41 1/4	43
Beneficial Standard	22 1/4	23 1/4
Cal-Western States	56 1/2	58 1/2
Commonwealth Life	28 1/2	30
Connecticut General	220	224
Continental Assurance	236	240
Franklin Life	101	103
Great Southern Life	78	82
Gulf Life	23	24
Jefferson Standard	56 1/2	58
Liberty National Life	51	53
Life & Casualty	20	21
Life of Virginia	73 1/2	75 1/2
Lincoln National Life	115	117
National L. & A.	133	136
North American, Ill.	14 1/4	15 1/4
Ohio State Life	44 1/2	46 1/2
Old Line Life	63	67
Old Republic Life	20 1/2	22
Republic National Life	48 1/2	51
Southland Life	94	99
Southwestern Life	66	68
Travelers	119 1/2	122 1/2
United, Ill.	42 1/2	44
U.S. Life	70 1/2	72
Washington National	57 1/2	61
Wisconsin National Life	37	39

Conventions

April 6-7, Society of Actuaries, regional, Statler Hilton Hotel, Dallas.

April 12-13, New York State Assn. of Life Underwriters, "Appleknockers" sales caravan, Chamber of Commerce Auditorium, Rochester, April 12, and Sheraton-Ten Eyck Hotel, Albany, April 13.

April 13-15, Life Insurers Conference, annual, Americana Hotel, Bal Harbour, Fla.

April 13-15, Home Office Life Underwriters Assn., annual, The Greenbrier, White Sulphur Springs, W. Va.

April 16-20, National Assn. of Life Underwriters, midyear, Galt Ocean Mile Hotel, Ft. Lauderdale, Fla.

April 16-22, CLU Institute, University of Georgia, Athens.

April 17-18, Life Insurance Agency Management Assn., A&S meeting, Edgewater Beach Hotel, Chicago.

April 23-25, National Assn. of Insurance Commissioners, Zone V, Town House Hotel, Omaha.

April 25-27, National Assn. of Insurance Commissioners, Zone II, Dupont Hotel, Wilmington.

April 26-28, Life Insurance Agency Management Assn., combination companies conference, Shoreham Hotel, Washington, D. C.

May 8-9, Assn. of Life Insurance Counsel, mid-year, The Greenbrier, White Sulphur Springs, W. Va.

May 8-10, Health Insurance Assn., annual, Biltmore Hotel, New York City.

May 12, New York State Life Underwriters Assn., spring delegate meeting, Astor Hotel, New York City.

Four New, Better Laws Are Enacted In Ariz.

Several important insurance bills have been passed and signed in Arizona.

One provides for a new mortality table for life insurance and permits companies to invest in common stocks of a national or state bank.

Another provides for regulation of credit life and credit A&S insurance.

Another clarifies qualification and licensing procedure for agents and brokers and sets up a single fee instead of a set of smaller payments.

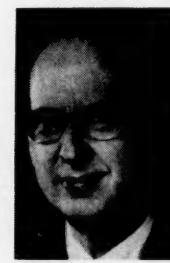
The fourth bill defines annuities and provides for the regulation of annuities as insurance, placing them under the jurisdiction of the department. It requires approval by the department of all reinsurance agreements, restricts surplus line placements to solvent insurers and clarifies eligibility of fraternals seeking exemption from compliance with the insurance laws.

Wins North American L&C. Trophy

W. O. Johnson, St. Paul, has won the president's trophy of North American L&C. for outstanding management performance in 1960. D. G. Wadlund, Minneapolis, was second and Thomas W. O'Reilly, Milwaukee, third.



J. H. Fabretti



A. F. Zipf

Albert F. Zipf to senior vice-presidents and Thomas J. Hammer, Robert N. Powell and Robert A. Reiche to 2nd vice-presidents.

Mr. Fabretti joined the company in 1948 and headed up the group policy payment department until 1957 when he was named 2nd vice-president and director of administrative services. He will continue his responsibilities in this latter area.

Dr. Zipf began with the company in 1950 after serving as health director of Sacramento and Sacramento County. He will continue as medical director.

Mr. Hammer joined California-Western States in 1944 after having been with Protective Life for 18 years. As director of agency services, his main responsibilities are in the area of agent financing. Mr. Powell, with the company since 1952, is in the actuarial department. Mr. Reiche joined the company in 1921 at Phoenix as cashier. He went to the home office in 1940 and in 1957 was named group actuarial manager, a position in which he continues.

Defer Reverse Split

Stockholders of Peninsular Life of Jacksonville, Fla., have been advised that, for technical reasons, consideration of the proposed "reverse stock split" has been deferred until a later date. The company has \$2 million of capital and two million \$1 par shares outstanding. It was announced some time ago that the intention was to raise the par value to \$5.



Walter E. Goodman, vice-president sales and service group department All American Life & Casualty, presents a plaque to Thomas E. Zetkov (left), president of Leonard Davis Associates, Washington, D.C., the number one agency in production for the group life department of All American in 1960.

Oppose VA Request For Direct Mortgages

(CONTINUED FROM PAGE 2)
annually for the next three fiscal years.

"At the present time there is a total of nearly \$30 billion of VA-guaranteed home mortgage loans outstanding," the associations stated. "Of this amount, \$3 billion are held by commercial banks, \$9 billion by savings banks, \$7 billion by life insurance companies, and \$7.2 billion by savings and loan associations, with the remaining being held by individuals and various

other types of lending institutions. These figures demonstrate the ready acceptability in the private market of VA-guaranteed home mortgage loans. Lending institutions have come to accept these obligations as highly satisfactory for their investment portfolios. Over the years the experience of lending institutions with VA home mortgages has been excellent."

Discussing recent developments in the housing mortgage field, the state-

ment said, "In recent months there has been a substantial easing in the availability of residential mortgage credit. It appears that this improvement in availability of mortgage funds will continue in the foreseeable future and that interest rates will move to somewhat lower levels. At the present time, if the maximum interest rate on VA mortgages were permitted to rise to 5½% (the current maximum rate on FHA mortgages) the VA mortgages would become marketable with private lending institutions at comparatively modest discounts. The basic

need in order to attract mortgage financing to the VA field is not an elaborate new program of direct VA lending, but simply a more realistic interest rate on VA-guaranteed loans.

"In any event, veterans now have available to them liberal borrowing terms under the FHA-insured program. With these, liberal FHA terms it is difficult to see what need there is for any new direct VA loan program. We conclude, therefore, that there is no real need for the bill.

Favor FHA Approach

"Home financing to veterans would be available in abundance under the VA loan program if interest rates were brought in line with the market and, in any event, the veteran can utilize the FHA program to meet his needs. During the past 15 years the VA home loan guaranty program has played an important role in assisting veterans to obtain housing, but there is much to be said at the present time for having a single government-insured program available for all citizens under the FHA."

In addition, ALC and LIA told the House committee that they felt the bill would require the Treasury to engage in an unwise financing program. Asserting that the Treasury must, as a continuing goal, seek to extend the average maturity of the national debt when the opportunity presents itself, the statement concluded, "The bill is particularly undesirable from the viewpoint of the U.S. Treasury at the present time because it would require the Treasury to enter the long-term capital market at a time in which lower long-term interest rates are being advocated by the administration. It would be much more desirable from the viewpoint of sound public policy if natural market forces and a competitive interest rate on VA mortgages encouraged private lenders to step up their available funds in the VA field."

Audio-Visual Seminar At LAA Conference Last Year Is Viewed In Recent Study

A complete report of the audio-visual seminar held prior to Life Advertisers Assn's annual conference last September has been published and sent to LAA members. The seminar was sponsored by the educational committee and the program planned, coordinated and conducted by Frank C. Elston, director of sales promotion of Washington National.

Panel members were Alice Mosley, All American Life & Casualty; Allen Bailey, New York Life; Burton Billings, Equitable Society; George Diehl, American United Life; John White, Lincoln National, and Oliver Hornman, National Life of Vermont.

A limited number of copies of the study may be obtained by writing to Mr. Elston at Washington National.

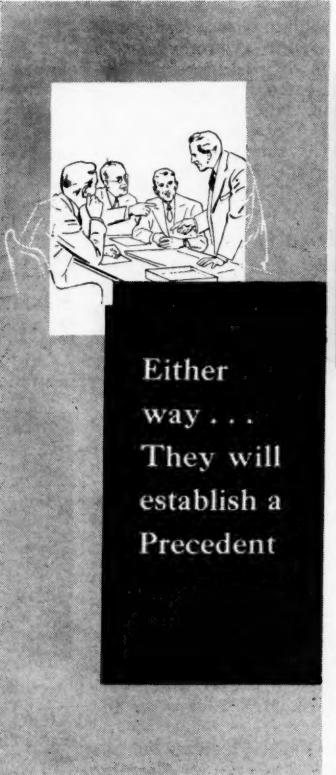
Century Life reports insurance in force as of Dec. 31 had increased to \$140 million and new life business written during the year exceeded \$4 million.

Service Guide

CONFIDENTIAL NEGOTIATIONS FOR
SALE OF INSURANCE COMPANIES
Ralph J. Colton
30 N. LaSalle St.
Chicago 2, Ill.
Financial 6-9792

What effect does the serious disability of a valued employee have upon . . .

- *The Employer?*
- *Other equally valued employees?*
- *Stockholders of the concern?*



Either way . . .
They will establish a Precedent

The story, told in a new folder, is one that affects all three

Write for your copy today . . . ask for Folder 1020

ACCIDENT DEPARTMENT

PROVIDENT
LIFE AND ACCIDENT INSURANCE COMPANY
CHATTANOOGA

*Pioneers and Leaders in the field of
Guaranteed Long Term Salary Continuance*

March
were \$25
new gro
slight de

Michigan
in force
788,000,
700. Ass
\$21,049,
creased
Policyhol
\$9,231,00

MIDW
Midwe
sales dur
the prev
million w
31 stood
26.5% ov
force now
gain fro
with capi

MOD
Modern
reports a
of more
Policy re
surplus to
interest w
\$26,533,00
35% fro
written w
force figu

NATI
National
assets as
190 and 1
million. A
all sourc
income fo
Premium
compared

NE
New En
end 1960
lion, a gai
of return
ments was
and the g
4.53%, a g
rate of ret
fore taxes,
of 10 basi
dividends, b
lion, up \$
more than
funds left
reached \$3
\$2.6 millio
\$4.5 million

Life insu
of the year
7%. Of the
individual co
surance iss
increase of
including a
tracts, am
decline of \$
ness was \$
lion. First
health insu
million, and
nearly dou

OCC
Occidental
last year to
over 1959.
insurance to
pared to \$1,
sales were \$
of \$44,111,26
a record \$4

Individual
\$8,171,108, u
alty premiu
reach \$84,01
gained \$65,81
Life insur

Company Statements Reflect Gains

(CONTINUED FROM PAGE 14)

we were \$259,490,000, some 5% down, and new group written was \$16,354,000, a slight decline.

MICHIGAN LIFE

Michigan Life reports life insurance in force during 1960 increased \$80,788,000, bringing the total to \$495,204,700. Assets rose from \$19,248,000 to \$21,049,000. Capital and surplus increased from \$3,086,000 to \$3,422,500. Policyholders were paid benefits of \$9,231,000.

MIDWESTERN UNITED LIFE

Midwestern United Life reports sales during 1960 were up 20.6% over the previous year—more than \$100 million was written. Assets as of Dec. 31 stood at \$25,684,000—an increase of 26.5% over 1959. Total insurance in force now stands at \$332 million. Net gain from operations was \$313,958 with capital gains of \$154,000.

MODERN WOODMEN, ILL.

Modern Woodmen of Rock Island reports assets of \$224 million—a gain of more than \$6 million during 1960. Policy reserves total \$164 million and surplus totals \$32 million. Net rate of interest was 4.34%. Total income was \$26,533,000—65% from premiums and 35% from investments. Insurance written was \$80 million, with the in-force figure at \$624 million.

NATIONAL BANKERS LIFE

National Bankers Life reports total assets as of Dec. 31 stood at \$15,794,190 and life in force was nearly \$59 million. Additions to the surplus from all sources totaled \$1,720,297. Total income for the year was \$9,051,708. Premium income was \$8,554,840, as compared with \$8,309,772.

NEW ENGLAND LIFE

New England Life's assets at year-end 1960 totaled more than \$2.2 billion, a gain of 4.2%. The average rate of return on new long-term investments was 5.35%, up 38 basis points, and the gross rate of return was 4.53%, a gain of 11 basis points. Net rate of return after expenses but before taxes, rose to 4.1%, an increase of 10 basis points. Exclusive of dividends, benefits totaled \$117.2 million, up \$8.7 million. In addition, more than \$40 million was paid from funds left on deposit. Dividends reached \$39.3 million, an increase of \$2.6 million. Unassigned surplus rose \$4.5 million to total \$154.7 million.

Life insurance in force at the end of the year reached \$7,040,000,000, up 7%. Of the total, \$6.29 billion was individual coverage. Individual life insurance issued was \$815 million, an increase of \$1 million, and group sales, including additions to existing contracts, amounted to \$118 million, a decline of \$6 million. Total new business was \$933 million, down \$5 million. First year premiums of group health insurance were up 17% to \$2.4 million, and group annuity sales were nearly double at \$3.5 million.

OCCIDENTAL OF CAL.

Occidental Life of California's sales last year topped \$1.7 billion, up 8% over 1959. Individual and group life insurance totaled \$1,788,187,554, compared to \$1,659,688,034. Individual life sales were \$1,344,500,661, an increase of \$44,111,280. Group life sales reached a record \$443,686,893, up \$84,388,260. Individual A&S premiums totaled \$8,171,108, up \$1,048,414. Group casualty premiums increased \$4,857,927 to reach \$84,010,722, a gain of 6%. Assets gained \$65,810,722 to total \$816,536,525. Life insurance in force reached a

record high—\$10,206,576,348. Late last year it became the first company west of the Mississippi to pass the \$10 billion mark of life in force. Individual life insurance in force increased \$751,217,334 to \$6,201,900,591. Group in force increased \$405,937,446 to \$4,004,675,757.

PRÆTORIAN MUTUAL

Insurance in force of Praetorian Mutual at the end of 1960 amounted to \$108,189,032, up 22½%. New business amounted to \$36 million, compared to \$18 million in 1959. Assets increased

to \$25,125,000, total income was \$3,618,000 and reserves \$22,699,000.

SOUTH COAST LIFE

South Coast Life reports assets as of Dec. 31 stood at \$19,721,000. Capital and surplus is \$2,984,000. Insurance in force is now \$137,300,000.

SURETY LIFE, UTAH

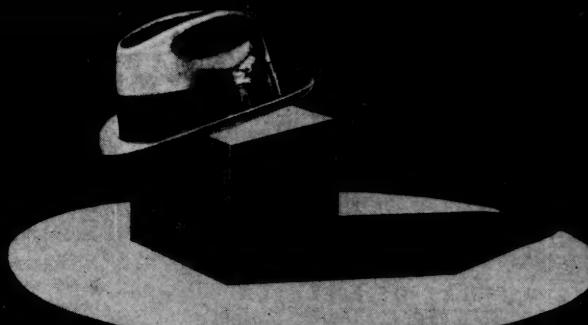
Surety Life of Salt Lake City reports a 14.7% increase in life insurance in force. Assets during 1960 grew to \$13,764,053, an increase of 16.8%. Capital and surplus jumped up to \$2,778,-

522—an increase of 139.8%. Policyholders and beneficiaries received \$1,552,567—an increase of 3.9% over the previous year.

UNION BANKERS

Union Bankers of Dallas at year end had assets of \$5,258,579 with capital and surplus of \$1,432,546. Premium income was \$4,579,658, with net operating gain of \$570,000. The company now has more than \$26 million of life in force and is licensed in 25 states. It recently merged with Southwest American Life of Houston.

IF YOUR HAT IS *in the Ring*



...for BIGGER EARNINGS

You'll find REPUBLIC NATIONAL LIFE

"The GO Company"

is a great place to hang it—and you'll

never have to take it off to anyone when

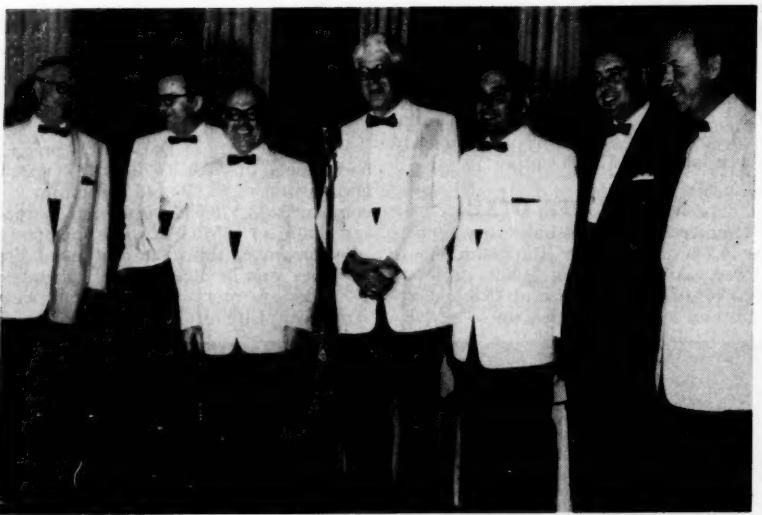
it comes to the modern and complete

services you can offer.

REPUBLIC NATIONAL LIFE Insurance Company

DALLAS, TEXAS

LIFE • ACCIDENT • SICKNESS • MEDICAL AND SURGICAL REIMBURSEMENT • GROUP HOSPITALIZATION • PENSION • BROKERAGE • COMPLETE REINSURANCE FACILITIES



Members of Connecticut Mutual's general agents' advisory committee with Raymond W. Simpkin (center), vice-president in charge of agencies. From left, Philip F. Howerton, Charlotte, N.C.; Robert J. O'Neill, Peoria, Wayne B. Glasgow, Nashville, Mr. Simpkin, Michael P. Massad, Dallas, Dewitt Jones Jr., Denver, and C. Carlton Coffin Jr., Los Angeles. Messrs. Howerton, O'Neill and Glasgow are new members of the committee.

SALES POWERED BY

PLANNED LIVING

BY STATE MUTUAL OF AMERICA

NON-CAN DISABILITY INCOME for MEN

CHECK THESE OUTSTANDING SALES FEATURES:

- All plans participating . . . dividends begin policy's 3rd anniversary . . . level premium to age 65 . . . 65-70 modified coverage, adjustable premium.
- ONLY TWO EXCLUSIONS—Policy does not cover disability (1) caused by war or (2) caused while in the military serving outside U.S. and Canada.
- Premium waived after four months of continuous disability (premium paid during this period refunded) . . . waiver continues during disability even beyond indemnity paying period.
- Non-House confining — full benefits paid.
- No average earnings clause.
- Incontestable after two years in force, excluding periods of disability.
- No probationary period.
- Accident clause reads "resulting from accidental bodily injuries" not "by accidental means".
- Flexible periods of disability . . . wide range of elimination periods.

To learn how Planned Living and our Non-Can health coverage are teaming up to tell this powerful story, see your nearest State Mutual Agency.



**STATE MUTUAL
OF AMERICA**

State Mutual Life Assurance Company of America, Worcester, Massachusetts

Conn. Mutual GAs Hold Annual Meeting

(CONTINUED FROM PAGE 2)

that CLUs produce consistently higher quality life insurance, that CLUs have a median income of nearly \$20,000 and CLUs are playing an ever larger role in field and home office management.

Discussing the importance of organized training and close supervision in developing successful agents and preventing terminations, Horace R. Smith, assistant agency vice-president and head of the education and training division, gave some figures from the 10 top men in one of the company's career schools last year.

Were Carefully Screened

The time spent in "cultivating" them before they were put under contract averaged nearly two months. Their number of separate preliminary career discussion conferences with their future general agents exceeded four. They averaged four weeks of pre-contract training and the equivalent of 60 hours of personalized post-contract training on selling life insurance. Five of the 10 men were in the top of their class, in production, during the 10 weeks after they finished the career school.

"The results of this study only reinforce our oft-repeated basic premise that persistent post-contract training pays off in production, and careful selection produces men who can accept and profit by good post-contract training," said Mr. Smith.

Unless an agency has a program for advanced sales work, it may lose agents who on the surface appear to be on their way to becoming successful, said E. A. Starr, assistant agency vice-president and head of the advanced sales division.

Agent May Be Bored

The agent may be an exceptionally good salesman, he said, but may be bored by the sales methods he is using and repeating the same story over and over. He may well be ready to move into advanced sales, into markets that will be a greater challenge to his capabilities and that will not require the routine procedures he has been using.

Mr. Starr cited a recent example in which the transition to advanced sales—made possible by an organized training program—had given a successful but unhappy agent the inspiration and incentive to stay in the life insurance business and develop into the excellent life insurance man he potentially was.

Winslow S. Cobb, general agent at

Boston, offered these suggestions for combating the present "devastating" situation which he ascribed to recruiting quantity and not quality:

"No. 1 is that we get smart, immediately, and stop recruiting a bunch of lunkheads, just to recruit, especially when we know they're lunkheads when we're recruiting them. No. 2 is that the companies quickly find some method of making it possible for quality manpower to validate under a sound finance plan. Yes, this will cost money at first, but it should be minor in the long run compared to the losses we are accepting together today under a quantitative system so worn out that the threads are bare and entirely visible."

Moderating a panel on prestige building, Robert B. Proctor, superintendent of agencies, said that no single asset will open more doors than a reputation for undeviating honesty.

Panelists were General Agents Frank Carlucci, Wilkes-Barre, Pa., Robert J. O'Neill, Peoria, Ill., Floyd A. Rosenfelt, Toledo, and Wayne B. Glasgow, Nashville.

Panel On Brokerage

Ewart G. Walls, superintendent of agencies, moderated a panel on brokerage. Panelists were General Agents Jack O'Bannon, Buffalo, Harold J. Ransom, New York City, W. G. Van der Voort, Chicago, Robert L. Mitchell, Portland, Ore., Samuel C. Weeks, Manchester, N.H., and Henry C. Hunken, Chicago.

President's Organization trophies were presented by Mr. Zimmerman to the following general agents in behalf of their agencies: Philip F. Howerton, Charlotte, N.C., Ralph H. Love, Hartford, Halsey D. Josephson, New York, City, William E. Branham, Oklahoma City, and Paul C. Kaul, Omaha.

"You can the wholehearted endorsement second level development . . . successful," sell to man agent, a space man, influence f cost, in point how much and what m for them.

Mr. Hale e consistency of people is Tennessee Life n be specified salary saving further soliciting management agent's programs

The speak a lucrative . . . not want m within this n company attempt attitude for th fit the man he will be w training and market, and close contact ceiving the s

Renewal Guaranty Corp. Has Good Year in '60

Renewal Guaranty Corp. of Denver during 1960 was extended an additional \$1,200,000 line of credit from Boettcher & Co. of that city, one of the west's leading financial houses. Renewal now has clients in 45 states and two foreign countries and has working agreements with 16 of the 20 biggest U.S. life companies. Assets in 1960 rose to \$2,251,587, an increase of more than \$205,000. Revenues increased from \$165,904 in 1959 to \$209,389 in 1960.



Winners of Connecticut Mutual's President's Organization trophies are shown with President Charles J. Zimmerman (third from right). From left, Halsey D. Josephson, New York City, William E. Branham, Oklahoma City, Paul C. Kaul, Omaha, Mr. Zimmerman, Ralph H. Love, Hartford, and Philip F. Howerton, Charlotte, N.C.

Gives
How
Savin

(CONT)
closer to
premium
and the
employees.
"When v
solicitation
our follow
program as
cerned," M
two metho
pending on
the group i
people a p
management
of the Tenn
dorsing it,
the employ
security pr
to follow
employees w
enrollment

With gro
procedure i
follow-up t
ment is ha
with a sepa
telling the
employee sec
the larger
agent is as
company to
employees w
Need Whole

"You can
the wholehe
dermost end
second leve
development
successful,"
sell to man
agent, a sp
space man,
influence f
cost, in poi
how much
and what m
for them.

Mr. Hale e
consistency
of people is
Tennessee Life
n be specified
salary saving
further soliciting
management
agent's programs

The speak
a lucrative
not want m
within this n
company attempt
attitude for th
fit the man
he will be w
training and
market, and
close contact
ceiving the s

Lansing A
Kennedy

Central M
of Health U
resolutions se
social securi
but supporti
the type enac

The initial
ent assets of
are comple
benefits alrea
funds are gr
ture taxes" a

March 25, 1961

Gives Pointers On How To Sell Salary Savings Programs

(CONTINUED FROM PAGE 12)

closer to the company, the ease of premium payment for the employees and the reduced premium cost for the employees.

"When we have finished our group solicitation we have set the stage for our follow-up on the employee security program as far as management is concerned," Mr. Hale said. There were two methods for this follow-up, depending on the size of the group. If the group is composed of 50 or fewer people a prepared letter is signed by management announcing acceptance of the Tennessee Life group plan, endorsing it, and recommending that the employees consider the employee security program. The agent attempts to follow up immediately with the employees when he completes the group enrollment cards.

With groups of 50 or more, the same procedure is followed, except that the follow-up to the letter from management is handled a little differently, with a separate letter to the employee telling them specifically about the employee security program. In most of the larger cases the Tennessee Life agent is assigned desk space in the company to discuss the plan with the employees who are interested.

Need Wholehearted Cooperation

"You can see from this that we need the wholehearted cooperation and endorsement of top management and second level management if the development of this business is to be successful," Mr. Hale pointed out. "We sell to management the idea that our agent, a specially trained life insurance man, can act as a third party influence for management, without cost, in pointing out to their employees how much management values them and what management is presently doing for them."

Mr. Hale emphasized that the agent's consistency in working with his group of people is the key to success. Tennessee Life requires that definite dates be specified for the agent to visit his salary savings group for service or further solicitation and requires that management be kept informed of the agent's progress with the salary savings program.

The speaker said that while this is a lucrative market the company does not want men to concentrate solely within this market. He said the company attempts to find men with aptitude for this kind of selling, tries to fit the man into the market in which he will be working, gives him special training and sales tools geared to this market, and has the manager stay in close contact with the case to be sure the employees and management are receiving the service promised to them.

Lansing Assn. Attacks

Kennedy Health Care Plan

Central Michigan (Lansing) Assn. of Health Underwriters adopted four resolutions setting forth opposition to social security-financed health care but supporting moderate legislation of the type enacted by the last Congress.

The initial resolution declared "present assets of the social security system are completely incapable of paying benefits already earned unless those funds are greatly augmented by future taxes" and it was resolved that

"any effort to load the costs of health care upon the security system should be resisted with utmost vigor."

A second resolution stated that use of the word "insurance" in connection with social security benefits is "a misnomer . . . and should be avoided in a sense of morality and fair play."

The third resolution asked for "an objective, competent, bipartisan study of the project costs of any governmental health care program" before adoption of any further legislation.

The fourth resolution praised the Kerr-Mills law setting up a mechanism and fund on a state-administered basis for medical care of those over 65 who are unable to meet costs of major illnesses.

The association stressed its general position that "costs of health care become high, difficult to predict and soon out of control whenever the recipient of health care has no direct financial interest in the cost of such care."

Japanese Visit U. S. Life Companies

(CONTINUED FROM PAGE 1)

executive heads of several Japanese life companies and the assistant chief of the Japanese finance ministry. The visit is sponsored by the International Cooperation Administration.

The delegation had its first conference last week at the Institute of Life Insurance in New York, meeting with Holgar J. Johnson, institute president, Bruce E. Shepherd, executive vice-president Life Insurance Assn. of America and James R. Williams, vice-president and general manager Health Insurance Institute. Marketing and public relations in the life insurance business will be the primary subjects of study by this team, to aid in strengthening the rapidly growing life insurance industry in Japan.

In the past 10 years alone, annual sales of new life insurance in Japan have increased more than six-fold and there has been a nine-fold increase in aggregate life insurance in force. Japan now ranks fourth in the world in life insurance ownership, following the United States, Canada and the United Kingdom.

Visiting Other Offices

Arrangements for the study tour are in the hands of Gerard J. Lally of ICA and Arthur C. Daniels, vice-president of the institute.

The Japanese executives are visiting with the leaders of the institute, LIA, LIAMA, Health Insurance Institute, American Life Convention, American Service Bureau, the Life Office Management Assn. and the home offices of New York Life, Prudential, Metropolitan Life, John Hancock, State Mutual Life, Connecticut General, Washington National and Monumental Life of Baltimore.

Other offices on the itinerary are the New York department, Wharton School of University of Pennsylvania, American College, Life Underwriter Training Council, National Assn. of Life Underwriters and the Department of Health, Education & Welfare.

Sales High For State Mutual

New premiums for group and for individual health policies reached record levels in the first two months of the year for State Mutual Life. Group premiums were up 20%, while individual health contracts showed a 5% rise. The total volume of life sales for the two months was \$83,669,000, including \$52,619,000 in group life.

Propose Stock Dividend For Continental Assur.

Stockholders of Continental Casualty and Continental Assurance at their annual meetings April 5 will vote on proposals to declare a 25% stock dividend for Continental Casualty and a 50% stock dividend for Continental Assurance.

Continental Casualty presently has \$30 million of capital made up of six million shares of \$5 par stock of which 5,874,900 are outstanding. The recommendation to stockholders is that the capital be increased to \$37,500,000 represented by 7,500,000 shares of \$5 par stock.

Continental Assurance has \$10,212,- 500 capital made up of 2,062,500 shares of \$5 par stock of which 2,009,000 are outstanding. It is proposed that capital be increased to \$15,468,750 represented by 3,093,750 shares of \$5 par stock.

20% Stock Melon For Midwestern United Life

Midwestern United Life will pay a 20% stock dividend next May to stock of record May 1.

IAHU Seeks War Chest For Legislative Duel

International Assn. of Health Underwriters is appealing to members and interested parties for a minimum \$5 contribution to an emergency legislative war chest. The money will be used to combat state and federal legislation which the association considers to be against public and industry interest, principally social security health insurance.

One of the projects of the war chest will be monthly stuffers for use by insurers and doctors to show the dangers of social security expansion.

Chicago Underwriters See Heart, Respiration Films

American Medical Assn. films were viewed at the March meeting of Chicago Home Office Life Underwriters Assn. A film on respiratory mechanics showed the effects of polio, emphysema and asthma, and a second film dealt with heart valves.

The movies were accompanied by comments by Dr. Noah H. Sloan, medical director of Allstate Life.



You Keep Right On Collecting Commissions — For A LIFETIME!

No need for your commissions to stop coming in after the 10th year.

At Occidental we pay you the usual vested commissions on life plans through the 10th year, naturally. *But we don't stop there.*

After the 10th year, brokers can get 3% on nearly all life plans and 5% on most A&S plans.

(Our own agents can qualify for 5% Lifetime Renewals on both life and A&S.)

Simple to qualify, too. Only \$500 in first year life premiums qualifies you for Lifetime Renewals on that year's business. For A&S renewals, there's no minimum, no production requirements.

On both life and A&S these renewals can be yours—for a lifetime—as long as you are contracted and servicing the business.

Easiest way we know to secure your financial future.

Ask for the details. Soon. Still time to qualify for this year.

OCCIDENTAL LIFE

Insurance Company of California

**Home Office: Los Angeles / Earl Clark, C.L.U., Vice President
(A MEMBER OF THE TRANSAMERICA INSURANCE GROUP)**

We pay Lifetime Renewals...they last as long as you do!

March 25, 1961

March 25.

Damage-Suit Fear Looms In Fight On Replacers

(CONTINUED FROM PAGE 1)

statements he has made in a letter of complaint to the insurance department. It seems improbable that any other states' laws are any better in this respect. The department staff members may keep everything confidential in an effort to protect the complainant, but that won't prevent an agent who wants to bring suit from finding out what was said in the letter of complaint.

For example, the department's effort may go so far as the superintendent of insurance giving all staff members orders not to let the case file be admitted to evidence. The plaintiff's attorney can then demand that the department staff man testify from memory as to the file's content—and unless he wants a contempt of court citation he'd better remember to the best of his ability.

If a policyholder who seems to have a strong case against a replacer can

be persuaded to complain against him to the department, it might be thought that his testimony could be obtained at a departmental hearing, after the department had started an investigation on its own, probably at the instigation of the agent whose policies had been surrendered or were threatened with surrender. However, there is nothing in the law that compels a person to testify at a department hearing.

In the absence of compulsion it seems highly unlikely that a policyholder who had declined to complain for fear of a lawsuit would be bold enough to testify at a hearing, for testimony in a department hearing is not "privileged" like testimony in a court. A witness in a hearing would have no more protection against a suit than if he had made the same statements publicly anywhere else.

Here again the conscientious professional agent is on the spot: Just as

he is in duty bound to warn his policyholder about the risk of being sued if he writes a letter of complaint to the insurance department, so he must also warn the policyholder that he is not obliged to testify at a hearing and that if he does he has no immunity to being sued by the replacing agent.

Fear of being sued for a complaining letter or for testimony in a department hearing aggravates the typical policyholder's normal reluctance to get involved in a dispute of this kind. Rarely does he understand enough about insurance to feel that he has been misled, even in those cases where it's obvious to anyone with the slightest life insurance savvy that the poor fellow has been mercilessly taken.

Even if the victim in such a case knows there was dirty work at the crossroads, he may feel his loss was not enough to warrant depriving an agent of his means of livelihood. In fact, in one well-known case this feeling was played upon by the insurance department man handling the complaint, with the result that the previously willing complainant decided not to push the matter.

Few Twisting Revocations

Thus, in spite of New York's being a happy hunting ground for replacers, it's hardly surprising that the New York department averages fewer than half a dozen license revocations a year for twisting. In view of the heightened awareness of the danger of lawsuits, it will be surprising if revocations based on policyholder complaints average as many as one a year.

Fortunately, it's possible for the department to go ahead and investigate what it suspects may be a twisting situation, even though the only complainants are agents. For example, if four or five complaints came in about the same agent, even though they were from agents rather than policyholders and not even from agents act-



An oil portrait of George S. Van Schaick, chairman of Security Mutual Life of New York, is presented to the company for hanging in the board room of the home office. Making the presentation is the artist, Keith Martin, right, director of Roberson Memorial Center, a cultural center in Binghamton, N.Y. Mr. Van Schaick, the subject of the painting, center, and Richard E. Pille, Security Mutual president, accept the painting for the company. The portrait, which was executed without Mr. Van Schaick's knowledge, was copied from a recent photo of the chairman.

ing in behalf of an insured, the department would presumably check into the situation, it was said at the department's New York office.

However, an agent making a complaint or giving testimony at a hearing would be no more immune to a suit for defamation of character than would a policyholder. Even an agent who was pretty well convinced that monkey business was going on might very well think twice and decide he'd rather let injustice go unpunished than involve himself as a defendant in a damage suit.

Several changes could be made in the laws that would encourage victims of ill-advised replacements to complain about irresponsible or predatory maneuvers by replacement artists. One would be to give a complaint by a policyholder or to his testimony at a hearing the "privileged" status enjoyed by testimony in a court of law.

Danger From The Irresponsible

True, there would be the danger that an irresponsible or ignorant policyholder might get a perfectly blameless agent into trouble and leave him for a way to no way of recouping in the courts that a sound. However, it seems as if there is a vast difference between the amounts of harm done by a public smearing of unsound replacement's good name and that done by a confidential letter seen by no one except department staff members. If the letter and/or testimony of the policyholder were to result in revocation of the agent's license, then it would appear that the agent's character was not defamed but accurately described—unless the testimony could be shown to be false.

On the other hand, if the department refused to revoke the agent's license, he could hardly contend that he had been "damaged," since no one outside the department knew about the alleged defamation and the department's refusal to act would serve to vindicate him.

It is admittedly a ticklish question. It's highly desirable to nail the twister, but it's highly undesirable to make it easy for an irresponsible or ignorant policyholder to stir up unwanted trouble for an innocent agent.

One course that has been suggested is a wider use of the Ohio system regarding a replacement as wrong unless the replacer can prove it really in the policyholder's interest.

This has a
in Ohio it's
enforcers. It
where it be
wants to up
ance in fav
better. Since
seems only
forced to p
those rare c
switch than
icy.

Usually Con

The chief
ment is that
ways to cor
ment, either
by putting
the paid-up
a replacement
this could be
the law or
placement" c
clude any a
of existing
within a sp
after the iss

Even this
fective unles
interpreted s
a replaceme

to undo the
turning all p
coverage to a
affirmatively
the coverage
be quite effe
er skeptics
are now re
to accept r
long as the
formed of its

Bird-Brained

A discoura
placement si
people have
tude about
are reasonab
the cars, ho
ances that t
ould well be
erty they ow
ieve what am

Apparently
that you
the poli
true that
confide

Lure Of Read

Generally
cash value h
paying the ini

in the stock
native shrew

keeps him fr

important mo

Worst of al

self into belie

course—are qu

and security v

values. I hav

the salesmen w

A GOOD COMBINATION IS HARD TO BEAT

Take National Casualty's modern portfolio of policies and sales aids. That's a hard-to-beat combination for effective selling. National's modern sales philosophy goes hand in hand with its quality Disability Income, Hospital and Surgical coverages for the Individual, Family, Franchise or True Group case.

Guaranteed Renewable Policies Available!

Establish and build your own Direct Agency—highly attractive agency appointments in select territories now available. Write today for full particulars—Address: Accident & Health Div., National Casualty Company, Detroit 26, Mich.

NATIONAL CASUALTY COMPANY

DETROIT 26, MICHIGAN

REMEMBER—
IT'S EASIEST
TO SELL
THE BEST!

This has a lot to commend it, though in Ohio it's hobbled by a dearth of enforcers. It puts the burden of proof where it belongs—on the agent who wants to upset perfectly good insurance in favor of something allegedly better. Since it so seldom is better, it seems only right that the promoter be forced to prove that this is one of those rare cases where it is better to switch than to stick with the old policy.

Usually Conceal Replacement

The chief weakness of this deterrent is that replacers can often find ways to conceal the fact of replacement, either by outright lying or else by putting the present insurance on the paid-up option, so that technically a replacement is not involved. Possibly this could be taken care of by drawing the law or regulations so that "replacement" would be defined to include any action changing the status of existing insurance in any way, within a specified period before and after the issuance of the new coverage.

Even this would not be highly effective unless the law were worded or interpreted so that a company issuing a replacement contract could be forced to undo the mischief, including returning all premiums paid on the new coverage to date unless it could be affirmatively proved to be superior to the coverage it replaced. This might be quite effective in stimulating greater skepticism among companies that are now reported to be quite happy to accept replacement business—as long as they are not officially informed of its character.

Bird-Brained Buyers A Problem

A discouraging aspect of the replacement situation is that so many people have such a bird-brained attitude about their life insurance. They are reasonably knowledgeable about the cars, homes, clothes and appliances that they buy, but with what could well be the most important property they own they are ready to believe what amounts to nonsense.

Apparently it's the same characteristic that causes confidence men to say that you can't cheat an honest blameman. The policyholder who is looking for a way to get around the hard fact that a sound, adequate program of life insurance calls for financial sacrifice is the easy one to con into an unsound replacement of old insurance by new.

Lure Of Ready Cash

Generally there's the lure of the cash value he'll have available after paying the initial premium on the new insurance. A trip to Europe or a killing in the stock market can deaden the native shrewdness that ordinarily keeps him from doing silly things with important money.

Worst of all, he's able to kid himself into believing that stocks or mutual fund shares—the "sound" ones, of course—are quite comparable in safety and security with life insurance cash values. I have talked with some of the salesmen who preach this equating of stocks with life insurance. It sounds real good—until you stop to think a little. When you do, it seems about like advising a family to get rid of faithful old Rover and buy this nice dog for a pet, on the ground that he hasn't bitten anybody recently and if the present trend continues he probably won't ever bite anybody very hard again—for this is a different breed of cats from the tigers of 1929.

How Active Agencies Boosted Policy Size

(CONTINUED FROM PAGE 5)

more exposure to personal sales opportunities.

The monthly recruiting report was standardized and a monthly recruiting scoreboard was sent to participating managers. The scoreboard reflects monthly data about each agency and gives recognition to the managers who are leaders in the program.

Managers in the program are brought to the home office each year for a conference which considers the problems of recruiting and improving training and supervision.

Plaques For Superior Work

Plaques are given in recognition of superior work and publicity is sent to the winners' home town newspapers and to trade magazines, as well as the company's field publication. This awards plan is used to create competitive spirit among the managers, just as the managers attempt to create competitive spirit among their agents through sales contests.

We sincerely feel that this program keeps the recruiting job at the top of the 'to do' list, by having a definite track for our managers to follow," said Mr. Hittle. "The 'agencies in action' program definitely is responsible for the majority of our managers working harder at their job and for the agency department working harder at ours, too.

"It has been an organized medium of communication from the home office to the managers. The program enabled us to tell quickly which managers were going to respond to the challenge of their job. We also found out much sooner two additional things

about each manager—whether he wants to build an agency and whether he knows how to do this."

Lists Other Advantages

Mr. Hittle outlined several other advantages of this program, including development of enthusiasm by agency supervisors and unit managers for agency work; use as a method of training the managers to do an agency building job; encouragement of managers to get rid of deadwood; upgrading of the quality of the sales force, and help for the agency department staff to better help the managers with supervision.

"As a final observation," the speaker said, "we think we can state with sincerity that such a program could be designed to fit any size company. The principles would be the same. Only the details would vary."

50 and 9¹⁰'s

ON

ONE YEAR MODIFIED WHOLE LIFE (MOD. 1)

- 50% Commission First Year
- 9 renewals @ 10%

Fully vested • Lifetime service fee

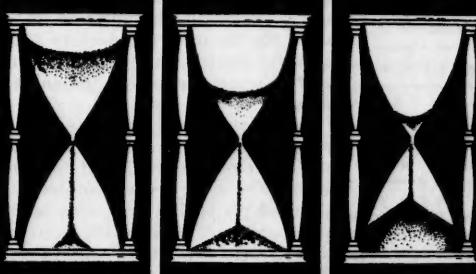
For further information on this and other "New For '61" plans, contact:

Citizens Life

INSURANCE COMPANY of NEW YORK

33 MAIDEN LANE • NEW YORK 38, N.Y.

EVERY AGE GROUP



WISCONSIN
NATIONAL LIFE
INSURANCE
COMPANY

230 Washington Blvd.
OSHKOSH, WISCONSIN



...is your market with this new

LIFETIME HOSPITAL PLAN

- Issued from age 1 mo. through age 75
- Guaranteed renewable—for LIFE (right reserved to change premium by class)
- Hospital and Surgical Benefits
- Sell to individuals or as family group plan—with or without surgical coverage

Boost your A & S prospect list by a good 5½%. Cover that long-neglected 65 through 75 year age group with this generous, guaranteed-renewable-for-LIFE hospital and surgical plan. It's a sales-winning, sensible plan, versatile enough to meet the needs of virtually any age group, any individual, or any family. Don't let others beat you to this one. Start selling it NOW!

AGENCY OPENINGS available in Wisconsin, Michigan, Illinois, Indiana, Minnesota, Ohio, and Kentucky. For information contact L. B. Van Treese, Vice President and Director of Agencies.

Experts Tell Ideas On What Lies Ahead

(CONTINUED FROM PAGE 9)

changing patterns of medical benefits and, on the other hand do whatever is in your power to get across the story to employees that a certain percentage of medical expenses should be budgetable and the ideal group insurance plan is one which protects the long range cost of the benefit by giving the claimant an interest in the size of the charge.

If these things are done, I think we will realize the long range advantage of keeping the cost of medical benefits at a level which will increase less rapidly than would be warranted by inflationary pressures on medical costs, while at the same time providing the level of benefits which are necessary to keep the general public satisfied with the quality of medical care cov-

erage and to keep this great business of ours growing and prospering.

Joseph W. Moran, assistant vice-president and group underwriter of New York Life, dealt with the problem of renewal premium levels as follows:

Statistically, a 25 to 50 life group case is not necessarily a substandard case just because it has had a high loss ratio in the previous policy year and because its present carrier is requesting an increase in rate. However, the aggregate of all such cases is statistically substandard because the law of large number will then apply.

There is a float of several thousand cases annually transferring from company to company and many of these cases are being rated uniformly as standard new issues by the new car-

rier with adverse effects on the loss experience of the new carrier and the industry in general. The willingness of carriers to underwrite transfer business in this manner naturally increases the lapse rate of the old carrier and presents a serious obstacle to scientific underwriting.

How About Claim Reserves

One frequently hears the question asked whether claim reserves should be considered in renewal work. The answer is an emphatic affirmative. Claims reserves are liabilities for claims incurred but not yet reported and for claims reported but not yet closed. These are part of the incurred claims for the year, since such claims would be payable even if the policy cancelled. The incurred claims for a policy year are equal to the paid claims plus the claim reserve for the end of the year minus the claims reserve for the end of the previous year.

Incidentally, in the first year, on typical base plan medical care coverages with maternity benefits, about 70% of incurred claims emerges as paid claims and 30% of incurred claims is claim reserve, so that claim reserve is about 43% of paid claims.

On Supplementary Major Medical in the first year about 45% of incurred claims emerges as paid claims and 55% of incurred claims is claim reserve, so that claim reserve is about 122% of paid claims. On Comprehensive Medical about 55% of claims emerges as paid claims and 45% of incurred claims is claim reserve so the claim reserve is about 80% to 85% of paid claims.

John J. Quinlan, director of group sales of Life of North America, had this to say about the upgrading of the group man's job:

An insurance company may look at several tons of educational material which has had little affect on its group men over the years and justifiably question the possibility of upgrading their function. The fact is, however, that an upgrading is taking place almost automatically right now—through necessity—day by day, case by case. The '50s are over and there is very little magic left in the atmosphere. It's just a tough business—one that knows a great deal more about itself.

In the daily communication required to sell, and particularly to conserve business, all the cards are being put on the table and consequently a greater common purpose is developing through this kind of communication between the home office and the field. The underwriter is still an underwriter and the group man is still a salesman, but a salesman who is psychologically equipped to be something more: a business man.

All parties at interest have contributed to the perplexing problem of major medical abuses, said W. M. Paris, assistant vice-president of Provident Life & Accident. In addition to educating the insured, the doctors and the hospital administrators, he suggested the following course for the insurance industry:

We must give our customers and brokers the facts of life, which are that our customer will not be able to continue to afford the completely uninhibited plans that are being sold. We must point out to them the need to get back to the basic philosophy of deductibles and coinsurance.

We must get back to the basic theory of budgeting assistance and not a plan that pays all expenses.

We have gotten to a point where the insurance companies must do more than just ask for additional premiums as their costs rise. It is incumbent upon insurance companies to think about

B.A.R.E. Names Lumley President; Keller Still Chairman, Gen. Counse

Paul E. Keller, president, chairman and general counsel of Benefit Am

Also prom



Paul E. Keller



John H. Lumley

G. R. Jordan
son, to finan
ett P. Hayd
dent and act
associate act
chester, to a

Mr. Jordan
since 1950, pr
in the actu
elers since 1
ety of Actuar
of Southland
serving as
actuary.

Mr. Goodso
banking busi
company in 1
president sin
Mr. Goodso
board as also
president Ha
in the ensuing
years.

Name Pe
NALU M
(CONTINUE

of Railway Employees for the past five years, has requested the board to relieve him of the administrative duties of the office of president so he may devote all his efforts to policy matters of the association as chairman and general counsel.

Replacing Mr. Keller as president is John H. Lumley. Mr. Lumley joined B.A.R.E. in 1954 as a vice-president. In 1956 he was named to the board and appointed executive vice-president in charge of commercial account

ways and means to control claims—claim cost control, if you will. The subject of claim cost control is being given a great deal of thought by insurance companies all over the country. It is entirely possible that this could be the greatest service that an insurance company can have to offer Tex. in the ensuing years.

Aubrey Horton, group secretary of New England Life, outlined some of the advantages of selling group annuities:

Many agents and brokers present selling individual policy pension trusts can be made aware of deposit administration and other forms of group pension coverage. These brokers and agents can build a lot of good will with their clients by offering them the most economical form of insured pension plan active participation.

The new federal income tax law optional association applying to life companies improves the position of the insured pension plan. Previously competing with the trust plan. The new law results in an improvement. William S. of interest credit to insured pension Massachusetts reserves of from one-quarter to one-half of 1%.

There will be a stream Park The sixth race

Advantages of selling group pension plan as the Lisions are that you make money selling them; it sets up the employer to you will receive a company more solidly than does agent William I. other coverage; if you have other coverage in force, it helps to retain it; gives you greater stature as a group man; it improves your position with your company, and a knowledge of group pensions makes your services worth more in the group employment market.

The main thing is not to be afraid of the first day's open the subject of group pension You will find if you do, it will compare with the increase of the 1960 you to learn more about it, and you will be surprised how well you will do.

Program chairman for the semi-annual application was Edward D. Lord, Life of Georgia.

Besides those already mentioned speakers included Robert McQueen, vice-president Mutual Benefit Life, Arthur R. Roberts, group secretary Bankers Life of Iowa, James P. Pool, Provident Atlanta consulting actuary, Francis Wellersdick, group underwriter Equitable Society, and Dr. Paul Reinhardt, medical director Prudential.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

INSURANCE ACCOUNTANT

American Republic Insurance Company, Des Moines, Iowa, has opening on its Home Office staff for an accountant who is thoroughly familiar with life insurance accounting procedures and annual statement work.

This is an exceptional opportunity for an alert, intelligent, congenial young man to grow with one of the most progressive and most financially sound insurance companies in the country. Position offers good salary potential and unequalled employee benefits.

Preferred is a man 35 years of age or younger. College degree in accounting essential.

Expenses of moving to Des Moines would be paid by American Republic Insurance Company. In a letter addressed to:

Mr. R. G. Harper, Vice President
American Republic Insurance Company
P.O. Box 1296
Des Moines, Iowa

Outline in detail particulars concerning experience and education, salary expectations, and enclose a recent photo.

SUPERVISOR OF AGENCIES

with proven ability to recruit and train men. Desire man under 45 with good educational background, preferably C.L.U. Salaried position.

Relocate, make your home in Arizona. It's a fine place to raise a family and you can prosper with the growing West.

Geo. E. Richardson, President, The HBA Life Insurance Company, First Street at Willetta, phone Alpine 8-4888, Phoenix, Arizona.

WANTED TO BUY

SMALL LIFE INSURANCE COMPANY

Principal with cash wants to buy small three-years-or-older U.S. Life Insurance Co. Address replies, which will be held in strict confidence to:

P. Jackson Associates
4813 Ben Avenue, North Hollywood, Calif.

ACTUARY WANTED

A Midwestern Company with over \$350,000,000 of life insurance in force has wonderful opportunity for an Actuary (Fellow)—under age 42 to head up its Actuarial Department. Full fringe benefit program plus generous company paid pension plan along with excellent salary. Write to W-68, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

PROCEDURES SPECIALIST

Life man wanted by a large West Coast property and casualty company to coordinate the development of a program for the handling of personal lines. Write to X-22, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

TOP Accident & Health Claim Manager

for large Penna. Home Office operation. Stock Multiple Line company. Must have been administrator of an A&H Claim division with 8 or 10 yrs. claim exp. Write immediately. X-27, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

UNDERWRITER

Opening for underwriter with 2-5 years experience in Life or Life and A & H Underwriting. Salary open. Write, giving details in first letter on education, experience, salary requirements, etc. Henry H. Wanke, Chief Underwriter, Security Benefit Life Insurance Company, 700 Harrison, Topeka, Kansas.

Wanted INSURANCE EXECUTIVE

We need a Regional Vice President, with extensive sales organizational experience to introduce a new program to business executives. Must be top public speaker. Experience in sales promotion or public relations. Top salary with high incentives. Write F. H. Mitchell, Insurance Management Corporation, 227 H Street, N.W., Washington, D.C.

LIFE UNDERWRITER FLORIDA

One of the South's most progressive Life Companies writing a complete line of Ordinary, Health and Accident offers an excellent opportunity for a qualified and experienced underwriter to work with and assist general Fire & Casualty insurance agents in developing life business. If you have wanted to move to Florida, capable of supervising and working with established agents, have a good record of personal production, want to be a part of a well established and growing company THIS IS YOUR CHANCE. Write X-5, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois, giving name, address, age, experience and references. All replies will be kept in confidence.

Southla

Jordan I

Four Oth

Southland

R. Jordan J

dent.

Also prom

er.

Mr. Jord

son, to finan

ett P. Hayd

dent and act

associate act

chester, to a

Mr. Jord

since 1950, pr

in the actu

elers since 1

ety of Actuar

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

years.

Mr. Goodso

banking busi

company in 1

president sin

Mr. Goodso

board as also

president Ha

in the ensuin

Southland Life Names Jordan Executive V-P; Four Others Promoted

Southland Life has promoted George R. Jordan Jr. to executive vice-president.

Also promoted are James B. Goodson, to financial vice-president; Everett P. Haydon, to assistant vice-president and actuary; G. W. Buchter, to associate actuary, and Karl L. Manchester, to associate actuary.

Mr. Jordan has been with Southland since 1950, prior to which he had been in the actuarial department of Travelers since 1948. An associate of Society of Actuaries, he became a director of Southland in 1956, and has been serving as 1st vice-president and actuary.

Mr. Goodson was in the investment banking business before joining the company in 1952. He has been a vice-president since 1955.

Mr. Goodson has been named to the board as also was Charles F. Hawn, president Hawn Lumber Co., Athens, Ga.

Name Panelists For NALU Midyear Forum

(CONTINUED FROM PAGE 1)

military service. He has qualified in trust for the National Quality Award 11 times and the Gulf Life President's Cup 12 times. He sold more than \$750,000 ordinary in 1959. He was president of the Central Florida Life Underwriters Assn. in 1959-60 and is an active participant in the state and national associations.

Previously announced forum speakers are George Mucey, manager for The Baltimore Life in Washington, Pa., and William Steinberg, general agent for Massachusetts Mutual Life at New York.

There will be an outing to Gulfstream Park the afternoon of April 16.

The sixth race will appear on the program as the Life Underwriters Handicap. The winning jockey and trainer will receive a trophy from NALU President William E. North and Mrs. North.

Pan-American Kicks Off President's Month Drive

Pan-American Life's field force kicked off the president's month sales campaign early in March by presenting President John Y. Ruddock with a total first day's business of \$7,571,538, an increase of \$955,860 over the first day of the 1960 campaign.

Including ordinary life, health insurance and group business, a total of 1,008 applications were presented for the first day's business.

Povident Mutual Life Has Annuity Purchase Option

Povident Mutual Life has introduced an annuity purchase option, a supplementary agreement which permits the payee of the policy proceeds

to purchase additional income under option 4 (life income with installment certain) if the policy proceeds are settled under that option.

Additional income to be purchased may not exceed the amount necessary to increase the option 4 income to \$10 per month for each \$1,000 of insurance. The purchase price of the additional income is the amount required to provide that income at the rates for option 4 in the policy.

The agreement is available with ordinary life, "Protector" and life fully paid up at 65 policies of at least \$5,000. It is issued with both standard and special class policies issued at ages 15 to 55.

Estate Planners Day Of N. Y. C. CLUs To Feature Panel Of Professionals

Panel members of the New York City CLU chapter's estate planners day at Town Hall, April 26, were selected from the law, accounting, banking, insurance and investments professions. Wilbur Neustein, Prudential, is chairman of the event and will moderate the panel.

Discussing their specialties in relation to the day's theme, "A Practical Approach to Estate Planning," will be Henry F. Silver, who heads the New York life brokerage firm bearing his name; Milton H. Stern of the Newark law firm of Hannock, Weisman, Myers, Stern & Besser; Michael D. Bachrach, senior partner in the Pittsburgh CPA firm of Bachrach, Sanderbeck & Co.; Warren H. Eierman, vice-president of the Hanover Bank, New York, and Sidney L. Wolkenberg, Union Central Life, New York.

Institute Estimates 1961 Dividends At \$1.6 Billion

Dividend payments to life insurance policyholders are expected to reach \$1.6 billion in 1961, according to Institute of Life Insurance. This would be a gain of \$100 million over the 1960 total and \$900 million more than 10 years ago. In these 10 years, the aggregate of life policy dividends paid to policyholders has exceeded \$10.8 billion, an amount half again as large as total premiums paid for life insurance 10 years ago.

Part of this year's gain will come from the increased amount of insurance in force, part from the annual increase in dividends under old scales and part from the increased scale of dividends announced by a large number of companies.

The Strong agency of John Hancock has moved to larger quarters at 417 North Akard, Dallas.

Wallace New Chairman And Scott President Of Great American Reserve

Travis T. Wallace has been elected chairman and chief executive officer of Great American Reserve. He will be succeeded as president by Charles D. Scott, who has been executive vice-president since 1958.

John W. Cromwell has been advanced to administrative vice-president, and R. F. Woods to secretary. New assistant vice-presidents are Jack Lee, claims manager, O. J. Van Zandt, accounting manager, and appointed assistant secretary is Truett Jones, services manager.

Mr. Wallace was a co-founder of the company 26 years ago and has been president ever since. Mr. Scott entered the business in 1931 with Business Men's Assurance, and he joined Great American in 1948 as vice-president of underwriting. He has been a director since 1949.

Mr. Cromwell, also a director since 1949, started with the company in 1938 and rose successively to comptroller, treasurer, secretary and vice-president and secretary in 1959. With the company since 1945, Mr. Woods has been

tabulating manager, assistant comptroller, assistant secretary, and, since 1950, assistant vice-president and planning officer.

Diemand Is Chairman, Smith President Of N. A.

(CONTINUED FROM PAGE 1)

Montreal before joining North America in 1929. Following assignments in Newark and as manager of the Philadelphia metropolitan department, he was elected assistant secretary in 1936 and fire secretary in 1940. He became vice-president in 1943 and executive vice-president in 1956.

Mr. Smith has played a leading part in North America's development of multiple line package policies. He is a director of Fidelity-Philadelphia Trust Co., Western Savings Fund Society, I.T.E. Circuit Breaker Co., and Esterbrook Pen Co. He is a trustee of University of Pennsylvania Hospital and is chairman of Haverford School.

Bloom Is Individual Leader

Paul Bloom, E. S. Benson agency, Boston, led all other General American Life agents in individual life sold during February.

THE PRODUCER SHOULD BE AWARDED A GREATER PERCENTAGE OF COMMISSIONS FOR LARGER PRODUCTION!

W. Blair Bendell, Agency Builder, All American Life & Casualty Company, believes in this philosophy



12 months' record of
W. B. Bendell*
Minneapolis, Minnesota

- First Year Paid Premiums \$69,308.58
- 9 full time representatives
- Earnings in five figures

*Joined All American
April 15, 1957



All American offers you an unbeatable opportunity to build a business of your own.

Find out today why over 750 men have joined the dynamic All American team that is setting such talked about sales records. Write E. E. Ballard, President.

ALL AMERICAN
Life & Casualty Company

505 PARK PLACE • ALL AMERICAN BLDG.
PARK RIDGE, ILLINOIS



Is Your Average Sale Over \$10,000?

(NOT TERM - BUT SOLID LIFE SALES)

If it isn't then you should take a look at Standard's Retirement Equity Accumulation Program which makes use of savings and family protection (Guaranteed Dollars) along with an equity investment (Variable Dollars) in Mutual Funds. No term insurance in this program. During 1960 this unique program enjoyed an average size sale of over \$10,000—and this was solid insurance—of the ordinary life and higher premium classes. Let R.E.A.P. carry you to new heights during this new year. Write me today for full details.

H. J. Noel, Agency Vice-President

Standard Life Insurance Company
OF INDIANA
INDIANAPOLIS

LIFE INSURANCE GENERAL AGENCIES OPEN IN Arizona • California • Colorado • Connecticut • Delaware • Florida • Georgia • Hawaii • Illinois • Indiana • Iowa • Kentucky • Louisiana • Maine • Maryland • Massachusetts • Michigan • Minnesota • Missouri • New Hampshire • N. Dakota • Ohio • Oklahoma • Pennsylvania • S. Dakota • Tennessee • Utah • Virginia • W. Virginia • D. of C.

Tells How To Use OASDI To Sell Disability

(CONTINUED FROM PAGE 6)

appointment for the purpose of explaining the booklet (by use of the fatal alternative method). If the prospect wants you to leave the booklet, you bypass this by telling him that it is the only one you have with you and that you would like to explain it to several other men that afternoon. But, you will be glad to bring him one and explain it Tuesday afternoon, or if it suited him better Wednesday morning, etc.

Wait For Reaction

When you do have the opportunity to explain the booklet, do it briefly and wait for some kind of reaction. What you want to know is how the social security disability fits in with his present disability insurance program. He may or may not have disability insurance. You find this out and if he does have some, find out what type of plan it is, monthly amount, period of benefits, etc.

If his remarks indicate a need for disability income, you can hope that through this sale you might later gain greater access to his entire program. You can go right into any method you desire to make the sale. The method below has brought me good results, probably because it is extremely simple.

You can ask the prospect to furnish a piece of paper (this is good, as it gets him into the act), or have one tucked into your booklet, or better yet utilize a blank space on the booklet itself, if possible.

First, draw a large L with a pencil. On the vertical part of the L, begin at the bottom and mark off a dollar

scale using \$100, 200, 300, and as far up as desired. Then, about three-quarters of the way out on the horizontal line, put a mark and under it age 65 and an arrow indicating the years thereafter.

While you are drawing, you will be saying something like the following: "Let's see if we can get this disability income picture in our minds. Actually, what it boils down to is this: If you were disabled tomorrow, at age .. (Here is a good time to ask his age; "Let's see, you are —?" Mark his age down at the corner of the L, then continue.) If you were disabled at age 35, and if you meet certain tests of permanent incapacity, you would begin receiving payments from social security of \$120 until you are age 65." (I'm taking these figures from an actual case and making some specific assumptions about the prospect's social security eligibility and personal program that would naturally vary with individual prospects.)

Explains Two Things

Here you will want to explain two things: First, at age 65 disability income payments cease and are replaced by old-age income payments of a like amount. Second, disability income payments under social security do not begin until the worker has been disabled six months or more. That "uncovered" period might be a very big drain on his personal savings if disability struck.

"Next, Mr. Prospect, your personal disability program (if any) will provide \$100 per month, (indicate on chart, then summarize). In other words, you will have \$100 for the first

six months (whatever personal program provides), and \$220 for the next 18 months, (personal program, plus social security, for the duration of personal plan), and \$120 (social security alone) until you are age 65 (when retirement income begins)."

Of course, you understand that if the prospect has no personal disability income program, then your drawing will look a lot less substantial and the sale will probably be easier.

Why U.S. Entered Picture

"Now, let me just ask you one question. While we have been talking have you wondered why the United States government would be so concerned with disability that they enter it into the social security program?" (do not wait for an answer.) "Well, really it is because of accident or sickness disability being such a hazard to men like you and me. In fact, they tell us that one out of every three men will have a serious disability prior to retirement. And, the average length of this disability is five years. Not many men are able to stand the loss of earned income for this length of time."

"In your own case, you have a solid disability program (if appropriate) that you can build on and have \$220 a month for part of your disability. But even so, if that auto accident or heart attack disables you for an indefinite period of time, wouldn't you have to go into your savings and use them up or drastically reduce your standard of living?"

If the prospect does not have enough income, and most will not, get an approximation of how much his family would need and draw this on the chart with a dotted line. You should try hard to get him to admit that he needs additional income. If you cannot get him to admit it, try this question: "Wouldn't another \$100 or \$150 per month keep you and your family from having to give up some of the better things that you want out of life?" Draw the increased amount on the chart with a dotted line.

Then, when you have shown him the level of income he wants, you would move into the solution by saying: "You will be amazed at the ease with which you can use a Pacific Mutual plan to round out your program. Here's how it works." And you would show him a Mark III Income Protection plan.

Institute's New Ad Series Has Message For Entire Families

Institute of Life Insurance's spring advertising campaign, which is run in 575 daily and Sunday newspapers, is aimed at entire families and the important role life insurance plays in their lives.

Continuing to emphasize the benefits of permanent life insurance, the new campaign is an extension of the institute's previous "Unique 5 Advantages" advertisements that appear in newspapers in the spring and fall of 1960. The first campaign outlined distinctive characteristics of life insurance and the campaign last fall concentrated on relating these advantages to events in a man's life.

As in the two previous campaigns, the new series' ads close with the same paragraph—"The wise family carefully estimates his family's future needs, then plans his life insurance accordingly. Since family circumstances often change, many couples review their programs with their life insurance agent each year. In this way, they get the most from the unique advantages of their life insurance."

Advertisements will appear every other week and the campaign will end May 15. Member companies and the producers have been offered a promotion program that is tied in with the campaign. Reprints of each ad have been made available, as well as direct mail enclosures, posters and speeches. Booklets and pamphlets supporting the general theme of the campaign will continue to be distributed by the institute to companies and the public while the series is running.

PROSPEROUS

is the agent selling United Life and Accident's Plusses, the latest being the new GROUP INSURANCE PLAN, providing: Life, Accidental Death and Dismemberment, Weekly Income, Hospital and Surgical or Major Medical, Optional Maternity Benefit — plus generous benefits for dependents of insured.

UNITED LIFE AND ACCIDENT INSURANCE COMPANY

EST. 1913 CONCORD, NEW HAMPSHIRE



Write H. V. STAEHLE, C.L.U., Field Management Vice President, United Life, 5 White Street, Concord, New Hampshire, Or Contact: WARREN E. CUTTING, Sup't of Agencies for the District of Columbia, Fla., Ill., Mass., N.H., N.J., Ohio*, Vt., and Va.* WALTER O. CORY, Sup't of Agencies for Cal., Conn., Del., Md., Me., Mich., N.C., Pa., and R.I.

*Agency-building General Agents' opportunities available.

ACTUARIES

Alvin Borchardt & Company
CONSULTING ACTUARIES
= AND =
INSURANCE ACCOUNTANTS
Detroit Atlanta

BOWLES, ANDREWS & TOWNE, Inc.
ACTUARIES
MANAGEMENT CONSULTANTS
LIFE—FIRE—CASUALTY
EMPLOYEE BENEFIT PLANS
RICHMOND ATLANTA NEW YORK
PORTLAND DALLAS MIAMI

Haight, Davis & Haight, Inc.
Consulting Actuaries
Insurance—Pensions
2801 North Meridian St. 5002 Dodge St.
Indianapolis 8, Ind. Omaha 32, Neb.

E. P. HIGGINS & COMPANY
Consulting Actuaries
Auditors and Accountants
Pension Consultants
Bourse Building Philadelphia 6, Pa.

HARRY S. TRESSEL & ASSOCIATES
Consulting Actuaries
Insurance—Pensions
10 South La Salle Street Chicago 3, Illinois
Franklin 2-4020

the Back Page

Presented regularly in this space for the inspiration and enlightenment of life underwriters everywhere by the Life Insurance Members of the American General Group.

TAX-FAVORED INVESTMENT

THIS MONTH it might be worth our while to devote three or four minutes to a consideration of the income tax advantages enjoyed by the life insurance dollar. When we do, we shall quickly discover that every dollar invested in life insurance cash values is ten or twenty or fifty per cent larger than superficially appears, and is a finer and better investment in proportion, because of its tax-sheltered status.

Now everyone knows that life insurance gives every possible advantage to annuitants and beneficiaries. But there is quite another tax advantage offered by life insurance which is by no means as widely known and appreciated: *the tax-favored treatment granted the insured himself on the interest earnings of his policy reserves or cash values.*

Simply stated, your life insurance policy says—

... First, that your cash value (or alternatively the reserve behind your policy where it is greater than the cash value) will earn a guaranteed three per cent; and

... Second, that this interest income will be used to pay the cost of your insurance protection in part or in full, and that any portion of this income not needed to pay for protection will be added to your cash value, causing it to grow still more rapidly and to produce still more interest income in future years.

And, simply stated, the Federal income tax law says—

... that every penny of that interest income which is employed to pay for your insurance protection is entirely free of income tax; and that any excess, though not tax-free, will be tax-favored.

This statement of principle applies to every permanent form of legal reserve life insurance. Unfortunately, it is not always readily discernible, especially when we are looking at lower-premium plans such as Whole Life, particularly for shorter durations. Yet we can easily see this truth with the naked eye, if we will but take the trouble to look.

The light will fall most clearly on the question if we will find and examine a combination of policy plan and duration where the cash value is equal to the total amount invested in the policy. This might be the 21st or 22nd year of a 20-Pay Life policy issued at ages in the thirties, or the 27th or 28th year at the younger ages. It might be the 9th year of a 10-Year Endowment, or the twenty-umph year of an Endowment at 65, or a still later year of a Whole Life policy.

For the sake of illustration, let us assume that at your particular age you can buy a 20-Year Endowment with an annual premium of exactly \$47.00, and that the 17th-year cash value happens to be exactly \$799, which is precisely the sum of 17 annual premiums.

Now if you buy that policy and keep it for 17 years and then surrender it for the exact return of all you have paid into the policy, these facts are self-evident: (1) you will have been insured for 17 years, and (2) unless we are giving insurance away free—and you know we can't!—the only way in the world it could have been paid for is by the interest on your deposits, which is exactly what did happen, and (3) you owe no Federal or state income tax on that income.

Parenthetically, and just to keep the record straight, let it be noted that the amount of insurance thus paid for by your tax-free income was not \$1000. Part of your thousand-dollar death benefit was your own growing reserve or self-insurance fund. The remainder, decreasing annually, was the insurance purchased by the tax-free interest yielded by your self-insurance fund. The average amount of your actual insurance across a 20-year period would be roughly \$500, not \$1000. But the fact with which we are now concerned is that, manifestly, *this insurance protection could only have been paid for by the interest on your investment cash value, and that such income is not taxable . . . not even where very large amounts are involved.*

I speak with fervor and deep personal feelings on this matter. My own life insurance program, happily, has come to the point where the interest on my cash values more than pays for my life insurance. And since my income tax strikes me as sufficient, to say the least, and since the amount of insurance in my program is also not inconsiderable, it becomes a matter of great importance and great satisfaction to me that my life insurance is paid for in its entirety, and with a margin to spare, by tax-free investment income.

Now what about the taxability of that investment income, when it is *more than* enough to pay for the insurance required? The answer is that although the excess is not tax-free, it is still tax-favored and tax-deferred.

Let us assume that you pay the 18th premium under that 20-year Endowment contract, and that the cash value rises (for example) to \$865. The increase in cash value is \$66, but the premium was only \$47. This simply means that in the 18th year, your cash value earned \$19 more interest than needed to pay for your insurance that year—so *all* your premium deposit, and the \$19 besides, was added to your cash value.

But the \$19 is *not* reportable as income in that year—and will not be until the policy matures or is surrendered. Thus, even though the income may ultimately be taxable, it will be postponed into some future year or years which may well be more favorable for your tax purposes, as for example, beyond your age 65.

And if you finally elect to take the maturity value or any earlier cash value in the form of a life income, you will have the privilege of being taxed as an annuitant, so the taxable portion of your interest income will prove to be both *tax-deferred* and *tax-favored!*

If you die before maturity or surrender, your interest escapes income taxation forever, even the portion in excess of the amount necessary to pay for your insurance protection. It will constitute a portion of the total proceeds paid to your beneficiary—and the entire face amount, made up in part of insurance and in part of your accumulated reserve, will of course be income-tax-free to the beneficiary.

Finally, even if you surrender your policy in that 18th year, with a taxable profit to reckon with, you will still have a *tax-favored* income. You would deduct your total investment of \$846 (\$47 x 18) from your surrender value of \$865, and find that your interest income across those 18 years had been enough to pay for all your insurance for all those years, and leave you \$19 besides. You would then report the \$19 as taxable income—but with one important difference: it would in effect be taxed as though it had been received in equal portions across a three-year period. Thus the tax burden would be much less than if this extra income had all been received in the one year, and thus even in this circumstance your excess dollars of interest income prove to be tax-favored dollars!

* * *

Yes, the beautiful, wonderful, happy fact is that life insurance is for the insured himself a tax-favored investment of the first magnitude.

Unfortunately, all too few of our friends and clients realize it.

That's nobody's fault but our own. Let's tell our story often and well . . . and the higher the tax bracket into which our listener reaches, the louder let's shout it!

Best wishes,

Frank W. Woodman



GROWTH SITUATION!

That's the picture at Provident Mutual.

For this vigorous 96-year-old has actually grown 88% since 1950 in the amount of protection in force on the lives of all its policyowners.

There are many reasons for this fine gain. A continuing favorable dividend scale. New policies for the individual and family. Increasing activity from the newly added Group insurance and Health insurance lines. New discount practices for premium payment.

Growth is measured in other ways, too.

Policies are people. People with dreams—for themselves, their children and grandchildren. People with hope for a better tomorrow and brighter years to come.

And therein lies the very best part of this healthy growth situation: the peace of mind, the attainable dreams of 350,000 Provident Mutual policyowners. This is our richest reward and fullest satisfaction.

PROVIDENT MUTUAL

LIFE INSURANCE COMPANY
OF PHILADELPHIA

The
30¢ a copy
\$7.50 a year

PSYCHIATRIST
Sees
Bette

By ROBERT

NEW YORK—Over rates over agent candida psychiatrist at the agency he doesn't want Dr. Gerald F. medical director Neuropsychiatrist at the March City Life Man

Total Personal

How well depends so largely that it is known that a part of the panel how to gauge agent tries to views a candidate if he is able 15 to 25%. The candidate a good impression quite different. If he thinks a characteristic that is and talk consistency. He can do types of tests.

The only way to test is by using a test, so that the significance of the results is revealed. After given by the testing team

Complete GAMC Meeting Fort Lauderdale

The program meeting of General Conference of the midyear meeting in Lauderdale. The meeting will be "Pr

Lillian Hogan can Society of Women Speaker. M. New York Life speak on the subject Like a Dame."

The afternoon showing of Life Market of The Megroz, Life's classification, agency vice-president and Elmer L. president of Cover the problem final speaker was New England Life describe his age.

Carr R. Purcell as national chairman preside at the cocktail, Aetna Life Insurance chairman

XUM